



CHARTERS TOWERS
REGIONAL COUNCIL

ANNUAL REPORT


2018/19



OUR REGION | OUR FUTURE

Welcome to the
Charters Towers Regional Council
2018/19 Annual Report





Charters Towers Regional Council covers a large geographical area in Queensland, totalling some 68,000 square kilometres. Our responsibility is to provide good governance and effective leadership to the Charters Towers Region. Councils' vision is 'Exceptional Service for an Exceptional Community'.

The Annual Report 2018/19 details Council's progress and performance over the course of the financial year, reporting on Council's achievement against the objectives of the Corporate Plan 2018-2023, and Council's financial management in line with the Annual Budget.

This report also provides the disclosure requirements as prescribed in the Queensland *Local Government Act 2009* and the *Local Government Regulation 2012*.

Council's website provides more information about the organisation's activities, policies and plans for the future.

Visit www.charterstowers.qld.gov.au

ACKNOWLEDGEMENT OF COUNTRY

Charters Towers Regional Council is committed to honouring Australian Aboriginal and Torres Strait Islander peoples unique cultural and spiritual relationships to the land, waters and seas and their rich contribution to our society.

We acknowledge the people of the Gudjala, Gugu Badhun, Birriah and Jangga first nation lands on which Charters Towers and its greater region are located, and is where we conduct our business. We pay our respects to ancestors and Elders, past, present and emerging.

We are committed to a positive future for all.

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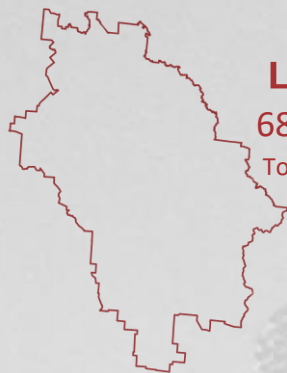
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REGIONAL PROFILE



Land Area

68,366.9kms²*

Total Regional Area



Population

11,850 residents*



Employment

5,182 jobs*

Top industries of Employment:

- Education and Training 13.5%
- Agriculture, Forestry and Fisheries 12.3%
- Health Care and Social Assistance 11.6%
- Retail Trade 9.7%
- Mining 9.6%



Gross Regional Product

\$629 million

Our Economic Pillars



Mining

- Gold
- Silver
- Zinc
- Marble
- Copper
- Tin
- Lead
- Tungsten
- Scandium
- Nickel
- Cobalt



Agriculture

- 2,000,000+ cattle in wider region
- Livestock accounts for 98.3% of Agriculture



Education

- Three Top 20 Schools;^
- Recognised education centre (3xPrivate Colleges; 1xState high School; 3 State Schools + School of Distance Education)



Tourism

- \$54million avg spend per year;#

*.ID Profile.

^Three Top 20 Schools in wider Townsville North Queensland Region, 'Townsville Bulletin,' 20 February 2018.

#www.tra.gov.au



MAYOR'S MESSAGE

On behalf of the Charters Towers Regional Council I am pleased to present the 2018/19 Annual Report.

This past year has been an exciting year full of many accomplishments for our community along with some challenges.

At the beginning of 2019, the North experienced severe flooding from the monsoonal trough (25 January to 14 February 2019) which affected many of our neighbouring regions. Although the majority of our region escaped the flooding, almost half of our region was drought declared through 2018.

To address the needs of our Region, Council released its new Advocacy Plan 2019 which outlines 8 key priorities Council is advocating to the State and Federal Governments. Two of these priorities include Drought Assistance and Financial Assistance Grants.

The end of the 2018/19 financial year saw the **completion of 11 major projects** which were all funded by the Works for Queensland (W4Q) program. Projects included:

- **IT communications network expansion with community Wi-Fi hotspots**
- **Major infrastructure works at the Dalrymple Saleyards**
- **Charters Towers' first dedicated off-leash dog enclosure at Lissner Park**
- **Widening of pedestrian walking paths at Centenary Park**
- **Smart water meters that allow electronic meter readings and can assist with the early detection of leaks, reducing undetected water loss**
- **Second boardwalk on Towers Hill which provides an all abilities ramp access to link the two World War II bunkers and to provide a lookout on the southern end of Towers Hill**
- **AR experience 'Towers Hill in WWII' which allows users to experience a mixture of real-world and computer-generated images in real-time**
- **Water infrastructure upgrades**
- **Various roads and bridges upgrades**

Our Corporate Plan 2018-2023 outlines our priority focus areas which include economic development, tourism, infrastructure and sustainability, water, community, advocacy and our organisation.

To deliver these long-term objectives, I'm happy to report that Council completed the following:

- **Produced and delivered the new Regional Town Plan which replaced the former city and shire schemes. This new Town Plan reflects our focus on Economic Development by ensuring that assessment levels in the various Codes encourage development.**
- **Produced and delivered our Advocacy Plan 2019 with 8 key Priorities. These include Big Rocks Weir, Drought Assistance, Flying Fox Management, Transport Infrastructure, Financial Assistance Grants, Defence, Telecommunications and Improved Health Services.**
- **The Smart Cities initiative will increase Council's network resilience during disasters while providing a reliable and fast internet connection. Visitors and the community will also benefit from the free Wi-Fi hotspots. The initiative also includes the installation of more security cameras for community safety.**

Other projects still in progress include:

- **The Water Treatment Plant Upgrade. The upgrade project, along with the other works, will cost a total of \$21.55M, with co-funding from the Federal Government of \$8.65M. This new construction and upgrades will ensure the reliability and security of Charters Towers' water supply now and into the future.**
- **Producing a new Local Government Infrastructure Plan (LGIP) which establishes infrastructure necessary to support population and employment growth, including transport, water and wastewater, parks and land for community facilities.**

I'm excited for the year ahead as we work on these significant projects and continue to provide ongoing support for the community. We look forward to working with the community to continue to improve and advocate their best interests.



Elizabeth Schmidt
Mayor



CEO'S REPORT

Over the course of the financial year our organisation has continued to review and implement changes based on Council's Organisational Development Plan.

This Plan clearly defines Council's project management framework, with timeframes specified within the action plan.

To develop the organisation to achieve its desired future state, there are many issues that will need to be addressed. The plan for action is structured with three key themes:

- **People**
- **Organisation; and**
- **Operations**

I'm pleased to report that a significant amount of progress has been made over the past 12 months with over 66 of the total 184 projects being completed over this time.

Many of these projects fulfil our commitments to be more streamlined and efficient as we serve the Community.

As part of this streamlined and efficient approach we made the decision to re-structure our organisation from three Directorates to two Directorates.

The two new Directorates are:

- **Corporate and Community Services; and**
- **Infrastructure Services**

Council is guided by our five-year Corporate Plan 2018-23, which is an important document that outlines our goals and strategic direction for the future. It provides a framework to guide our yearly Annual Operations Plan and Budget, ensuring that our key themes and objectives remain Council's guiding principles from year to year.

During the 2018/19 financial year Council has made significant progress towards achieving all the objectives of the Annual Operational Plan, though with the refinement of our organisational structure and business operations this has meant that some of our projects are still in progress. Some of these include:

- **Complete the Asset Management Plans for all identified classes of assets**
- **Prepare and adopt an Interim Local Government Infrastructure Plan for the region**

- **Adopt Strategic Asset Management Plans for urban and rural road networks and associated infrastructure**
- **Establish a Community Engagement Policy**
- **Prepare an Economic Development Strategy**
- **Water Infrastructure Upgrade Project (WIUP)**

Over the next 12 months we will work to complete these projects and others for the benefit of our community and organisation.

Key projects for **2019** include:

- **Position Description Review for all staff**
- **Implementation of Stage 1 of Technology One ERP**
- **Finalisation of the Planning Scheme and LGIP**
- **Finalisation of the Water Infrastructure Upgrade Project (WIUP)**
- **Smart Cities implementation**

For the 2019/2020 financial year, Council has chosen 14 priority projects which will be under the Works for Queensland program, an initiative of the Queensland Government.

These projects include refurbishing facilities, water main replacement works and improvements to multiple parks.

\$882k has been allocated to undertake refurbishment works at the Kennedy Regiment Memorial Pool.

Other projects to be funded by Works for Queensland include:

- **\$150k to replace the playground equipment and install exercise equipment at Centenary Park**
- **\$600k for water main replacement works and additional main works**
- **\$280k to install new solar lighting and security cameras on Towers Hill**
- **\$50k to refurbish the pool surface in Ravenswood**
- **\$100k to refurbish the stadium at the Dalrymple Saleyards**
- **\$250k to install all ability access to the lookout and landscaping improvements at the Rotary Lookout**
- **Other projects include drainage improvements and asphalt overlay at Centenary Park and Defiance Mill Park carparks**

All projects will be undertaken and completed within the next 2 years.

As a council organisation, we appreciate that we are servants of our Community and that all levels of Council are accountable, transparent, outcomes-driven and strive to make the most of our community's investment in our region.



Aaron Johansson
Chief Executive Officer

COUNCILLOR PROFILES



Cr Sonia Bennetto
Deputy Mayor
Portfolio: Tourism
Townships: Greenvale

Cr Sonia Bennetto was born and raised in the farming regions of Mareeba, where her family grew tobacco and limes.

Cr Bennetto, along with her husband Matt and family run the cattle station, 'Virginia Park', near Charters Towers.

Cr Bennetto runs her own small business (herbal tea label) from home and provides marketing services to local businesses.

Cr Bennetto holds a Postgraduate Diploma in Education from QUT, and Degrees in Business and Marketing (Tourism Major) from James Cook University.

Cr Bennetto has worked in a range of industries including automotive, tourism, education and training and agriculture. Cr Bennetto was elected to Council in March 2016 and upon election, assumed the role of Deputy Mayor.



Cr Graham Lohmann
Portfolio: Community
Townships: Balfes Creek |
Homestead | Pentland

Cr Lohman is a career police officer, retired May 2018 and most recently Senior Sergeant, Officer in Charge at Charters Towers since 2001.

Cr Lohmann worked most of his career at police stations in north and north-west Queensland and was awarded the Australian Police Medal in the 2013 Australia Day Honours List.

Cr Lohman has had a long-term involvement in many community groups and organisations particularly those that work toward helping people at risk or in need.

Cr Lohmann is married to Meryl with two adult children, Cr Lohmann was elected to Charters Towers Regional Council in March 2016.



Cr Bernie Robertson
Portfolio: Infrastructure & Sustainability (Rural, Waste and Pest and Animal Man't)
Townships: Hervey Range, Hidden Valley, Mount Fox

Councillor Robertson has lived in Charters Towers for over 50 years. During this time he worked for NORQEB (now Ergon), ran his own electrical contracting business and operated Hollimans Hardware in a successful partnership for 21 years.

After selling the hardware business, Cr Robertson has and continues to work contracting with various cattle properties in the region.

Cr Robertson is passionate about council maintaining an equal and strong interest in all aspects of Charters Towers' four major industries: education, beef cattle, tourism and mining.

Cr Robertson has councillor experience spanning 22 years, initially with the former Dalrymple Shire Council and then serving two terms following amalgamation. Cr Robertson was most recently elected to Council in 2018.



Cr Mike Power
*Portfolio: Economic
 Development*

Cr Power was born and raised in Charters Towers attending the then St Columba's Primary School and Mt Carmel College to year 10.

Cr Power then worked at the Charters Towers Court House to 1998, attending to all classes of work but mainly mining and land matters.

A keen rugby league man, Cr Power played Club Rugby League for several years, as well as cricket and touch football. The history and heritage of the Charters Towers Region is Cr Power's passion, evidenced by his membership of the Charters Towers and Dalrymple Archives Group. Prior to becoming Councillor, Cr Power was Planning & Development Officer with the Charters Towers Regional Council.

Cr Power is married to Sandra with four adult children, eleven grandchildren and one great grand-daughter.



Cr Roma Bailey
*Portfolio: Infrastructure &
 Sustainability (Roads, Plant,
 Equipment, Cemeteries, Parks)
 Townships: Ravenswood,
 Mingela, Sellheim*

Cr Bailey was born in Townsville in 1955, and was educated in Mingela and Charters Towers.

Cr Bailey was elected to Council in October 2010 and was re-elected in 2012 and 2016.

Roma worked as a formsetter and supervisor with the former Charters Towers City Council and then the Charters Towers Regional Council from 1997 to 2010 before being elected as a Councillor to the Charters Towers Regional Council. Prior to commencing work at Council, Roma was self-employed as a handyman and concreter for approximately seven years. Prior to this Roma worked for firms such as the Far North Queensland Electricity Board, Kiwi Constructions and Electrical Powerline Constructions.

Cr Bailey's interests include Cricket and the Charters Towers Mens Shed.

Cr Bailey is a member of many Community Organisations.



Cr Alan Barr
*Portfolio: Water
 Townships: Belyando Crossing*

Cr Barr was born and raised in Townsville and moved to Charters Towers in 1985, with the intention of staying for one year, to play rugby league for the Charters Towers Miners. It was then he met his wife Maria and has been in Charters Towers ever since.

Cr Barr began his career in Charters Towers selling cars and then started his own tyre business in 1987 before working at a local mine as an operator.

Cr Barr then re-entered the tyre industry and currently owns and operates Barr's Tyres. Cr Barr was elected to Council in 2016.

CORPORATE STRUCTURE

Community

Council

Office of the
Chief Executive Officer

- Elected Member Support
- Governance
- Communications

Corporate and Customer Services

- Administration Services
- Finance & Assets
- Records & Information Technology
- Procurement
- People & Culture

Infrastructure Services

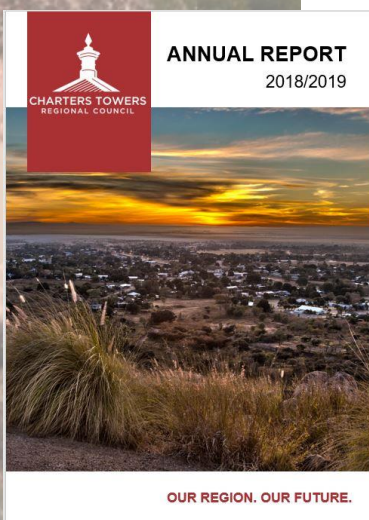
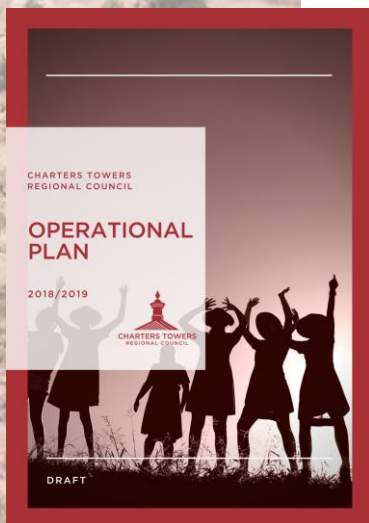
- Construction and Maintenance
- Technical Services
- Utilities

Planning and Community Services

- Excelsior Library and Archives
- Tourism, Events & Arts
- Rural Services
- Planning & Development
- Animal Management
- Environmental Services
- Facilities Management
- The World Theatre

OUR STRATEGIC FRAMEWORK

The Annual Report is an important monitoring and measurement document that fits within a wider strategic framework, linking back to the Corporate Plan priorities.



CORPORATE PLAN

Council's five year strategic document outlining the goals and outcomes to achieve the community's expectations.



OPERATIONAL PLAN AND BUDGET

Annual documents that outline how Council will achieve the Corporate Plan outcomes for the financial year.



QUARTERLY REPORTS

Progress reports completed each quarter on the Operational Plan activities.



ANNUAL REPORT

Document created at the end of each financial year providing a summary of what Council has achieved for the year.



THE
AUSTRALIAN
BANK OF COMMERCE

Quality
SECONDHAND
ANTIQUES & COLLECTABLES
SECONDHAND DEALERS No. 200/202

WORLD

World Theatre
GIFTS & SOUVENIRS



ENNY'S

CORPORATE PRIORITIES

There are seven strategic focus areas identified in the Corporate Plan 2018 – 2023.

These areas are the basis of our Councillors' portfolios and this Annual Report.

ECONOMIC DEVELOPMENT



To be a premier rural service-centre offering traditional and innovative opportunities to work, live, play and invest.

TOURISM



To be a destination of choice for new and repeat regional, intrastate, interstate and international visitors, known for our unique and authentic experiences derived from our natural and historical assets.

INFRASTRUCTURE AND SUSTAINABILITY



To create a sustainable future for the Region through the maintenance, enhancement and protection of our built and natural environment.

WATER



To provide water security that supports community lifestyle, development attraction and agricultural expansion.

COMMUNITY



To be an inclusive and engaged resilient community, with access to services and facilities that enable a safe and healthy lifestyle.

ADVOCACY



To be a strong and respected regional Local Government voice to promote and facilitate growth on behalf of our community.

OUR ORGANISATION



To be an efficient and effective organisation underpinned by a customer-service centric culture.



ECONOMIC DEVELOPMENT

PROGRESS & PERFORMANCE



Big Rocks Weir

- ✓ Federal announcement of a \$54million contribution

There was cause for celebration when Prime Minister Scott Morrison announced \$54 million in funding to kick start the Big Rocks Weir project in November 2018.

Mayor Liz Schmidt was quick to acknowledge the Member for Kennedy Bob Katter, alongside the Federal Government, in supporting the investment in critical regional water infrastructure.

The Hells Gates Dam feasibility study, funded by the National Water Infrastructure Development Fund, was completed in July 2018 and identified Big Rocks Weir as a critical first phase development supportive of establishing up to 5000ha of high value irrigated agricultural land adjacent to the weir site.

“It is our council’s intention to maximise this opportunity and deliver upon this objective,” Cr Schmidt said. “I am determined that Charters Towers Regional Council and our regional partners remain influential through the business case and development process, ensuring local interests are prioritised.”

Charters Towers Regional Planning Scheme

- ✓ The Charters Towers Regional Planning scheme was adopted on 17 July 2019 by Council following an extensive community consultation period from 4 February – 29 March 2019.



BIG NEWS: The Hon Bob Katter, Member for Kennedy celebrates the \$54million funding announcement with Cr Graham Lohmann, Deputy Mayor Cr Sonia Bennetto and Mayor Cr Liz Schmidt



Council Planner – Prue Miller assists a resident with a question about the new Charters Towers Regional Planning Scheme

The Charters Towers Regional Town Plan received the Minister's approval for adoption and commenced from 29 July 2019. The Charters Towers Planning Scheme is the first Planning Scheme under the *Planning Act 2016* to receive approval.

The new scheme is an enabler for regional development as it supports a greater range of land uses such as alternative business and tourism opportunities within the Rural and Township Zones.

Online Development Application Portal

- ✓ This new service reduces assessment timeframes, improves staff efficiencies and contributes to Council's priority of economic development.

In 2018, Council commenced its online Development Application portal allowing customers to lodge planning, building and plumbing applications with the 'click' of a button.

The implementation of online lodgements greatly assisted with the rollout of the Regional Planning Scheme and will further assist with the Local Government Infrastructure Plan upon its release.

The types of applications customers may lodge through the portal include:

- Building Applications for new Dwellings or Sheds
- Plumbing Applications for onsite sewerage systems; or
- Planning Applications for subdivisions.

By providing online development applications, Council has positioned itself with Townsville and Cairns as the only North Queensland Local Governments providing this service.

"The Charters Towers Region is open for business and Council is committed to improving its services and capabilities for the greater development industry," said Cr Mike Power.



The new access ramp at Towers Hill World War II
interactive bunkers

TOURISM

PROGRESS & PERFORMANCE

Destination Tourism Plan

Council have engaged with Townsville Enterprise, the Regional Tourism Organisation to embark on a new regional destination tourism and marketing plan for Townsville North Queensland. Feeding into this project it has been identified that the local footprint required further engagement to establish the Charters Towers Story. Workshops were held across the regions for the new concept of storytelling by James Cook University.

The story telling concept for marketing promotion lends itself easily to the social media platforms for sharing of destination gems, flagship events and cross promotional tourism activity.

The Destination Tourism Plan will be tendered and commence with community engagement activities that will dialogue with tourism stakeholders, business operators and community members to build a sustainable tourism industry and identify a coordinated effort for tourism and marketing promotion for the region.



Towers Hill Project

The development included the building of an access ramp for the World War II interactive bunkers, walking track lighting and paving to improve the public access and use of this heritage sight.

The enhancements form part of a larger regional development strategy for tourism resources and products in the region, building economic growth and visitor spending by increasing the availability of sites to see and recreational activities.

Freedom Camping

This project was identified as a necessary sustainability measure following land management initiative investigations in the region by Councils Planning and Community Services directorate. Freedom Camping, including better signage and land management, will promote extended visitation for the wide range of drive market visitors to the region and a sustainable ecofriendly approach to the land management of these regional assets



Tourism volunteers celebrate the end of a busy season



INFRASTRUCTURE & SUSTAINABILITY

PROGRESS & PERFORMANCE

Dalrymple Saleyards: Major infrastructure works completed

The major infrastructure development works at the Dalrymple Saleyards were completed in November 2018.

The infrastructure works included the construction of four live export cattle holding yards, a laneway network and 2 water tanks with a storage capacity to hold one million litres of water.

Other works included stock water troughs, a water pipe network, erection of a stock-proof fence and the purchase of a diesel-powered water pump.

These new additions have facilitated an increase to the holding capacity for live export cattle from 12,000 head to 16,500 head.

The \$172,000 infrastructure works were fully funded by the Works for Queensland Program, an initiative of the Queensland Government.

“Economic development is one of Council’s priority areas of focus. We will continue to strive to ensure Council assets are used in a manner that benefits the entire Region and grazing and associated industries are key to our prosperity.” said Cr Bernie Robertson.



Bird's eye view of the major infrastructure works completed at the Dalrymple Saleyards



Council employees working on the Centenary Park walking paths

Second boardwalk for Towers Hill

Officially opened in 2018, the second boardwalk provides an all abilities ramp access to link the two World War II bunkers and to provide a lookout on the southern end of Towers Hill.

The raised boardwalk will supplement the existing gravelled walkway between the bunkers.

Other works included raising the existing carpark to the required gradient, installation of lighting and the construction of a shelter.

“Towers Hill attracts a lot of residents and visitors and this new boardwalk will be a fantastic addition to the facilities already on Towers Hill.

“Having better access for people with disabilities or reduced mobility will allow everyone the opportunity to experience the World War II interactive displays and recordings in the bunkers,” said Cr Roma Bailey.

The entire project cost totalled \$223,000 and was fully funded by the Works for Queensland Program, an initiative of the Queensland Government.

Centenary Park walking paths

As part of the 2017-2019 Works for Queensland (W4Q) funding, Council was successful in obtaining \$40,000 to undertake pathway widening at Centenary Park.

The need for wider paths had been increasing with the large number of stalls and foot traffic at the annual Community Day and regular Sunday markets.

Community feedback raised concerns over the narrow paths as the Park is also a popular spot for the community to exercise and to walk their dogs.

The work included widening the paths along Gordon Street (eastern side) and Churchill Street (northern side) to 2 metres and in some places to 2.4 metres to match the width of the paths along the Hackett Terrace and Dalrymple Road park frontages.

The entire project cost totalled \$40,000 and was fully funded by the Works for Queensland Program, an initiative of the Queensland Government.



Officers provide a tour of the Water Treatment Plant works for Councillors.

WATER

PROGRESS & PERFORMANCE

Water Infrastructure Upgrade Project (WIUP)

Council's single largest capital project, with a total cost of \$21.55m (including co-funding from the Federal Government of \$8.65m), in 2018/2019 was the continuation of the Water Infrastructure Upgrade Project to support lifestyle and attract development and agriculture opportunities.

The flagship development within the project is the upgrade of the water treatment plant to increase water production capacity to 22ML per day from the current maximum of 18ML per day.

Upgrades will include:

- Computer control systems
- Electrical switchboards
- Installation of a backup generator
- New clarifier and gravity filters with a 60+ year life

Construction is forecast to be completed 22 January 2020.



MiWater

charters Towers.miwater.co

Watch your
water.
Anytime,
anywhere.

New smart water meters and an accompanying free website, MiWater, were rolled out in Charters Towers to help residents monitor water consumption.

The MiWater website, along with the smart water meters, allows businesses, property owners and tenants (subject to owner approval) to track water usage, set email and SMS alerts of water leaks and high consumption.

289 residents had signed up at 30 June 2019 with more encouraged to take advantage of this service.

Kennedy Regiment Memorial Pool

Following a pool condition assessment report, and a number of years frustration for both Council and community, Council resolved to upgrade the Charters Towers' 50m swimming pool to address a long-term leak.

Significant funds of \$832,000 were sourced from the 2019-2021 Works for Queensland funding program, which accounts for approximately \$2.97million spent on 18 projects over two years.

Council is happy to report that a Project Manager has been appointed and a detailed design and project timeline complete. Tender applications for contractors will open November 2019 with construction due to start April 2020. It is envisioned the project will be complete by August 2020 and the 50m Kennedy Regiment Memorial Pool will reopen to the public.



COMMUNITY

PROGRESS & PERFORMANCE



Towers Rush IV

For the fourth consecutive year the Region played host to the Towers Rush, a challenge-based scavenger hunt that has only grown in popularity since its inception.

Aimed to get everyone from the young to the young-at-heart moving the event saw over 70 teams running, kayaking, abseiling around the region and generally just having fun with activities like the inflatable obstacle course.

Council is already planning for next year!

Ravenswood 150

Council were proud supporters of the Ravenswood 150 celebrations.

Ravenswood celebrated 150 years of mining with a spectacular weekend of entertainment for the whole family.

The town's gold mining history through to the present day mining operations was transformed by a mosaic art project by Local artist Shelley Burt in the town common.

Also included were the Kennedy Regiment display, old-fashioned games, blacksmith, theatre production, Ravenswood Rush and more.

RADF Funding Project | Skate Park

The project involved a number of emerging artists and local young people undertaking 'street art' style aerosol painting workshops.

The focus of the project was youth. Engaging young emerging artists as the facilitating artists enabled these graduates to see the potential of utilising their artistic abilities as a career option and gain experience in fulfilling a brief from a 'Client'.



Feeling the rush – Towers Rush participants getting amongst it





Clay poppies produced by the community at free workshops held around the region by Artist Shelley Burt in partnership with Council

The young people who engaged in the regional workshops were from Pentland and Homestead communities who are disadvantaged by remoteness and tend to miss out on opportunities to participate in arts workshops due to many workshops being centralised in Charters Towers. The Charters Towers workshop was situated at the Skate Park and captured local youth and their guardians. A number of the participants were regular users of the Skate Park and would not ordinarily partake in an art workshop. They took advantage of the activity being in the location they regularly utilise and attempted something new and exciting and had a great time doing so.

The finished murals added life and vitality to the spaces and gave the youth utilising those spaces ownership over the artwork and encourages use of the spaces for positive activities.

The Charters Towers participants have shown interest in partaking in future workshops to further enliven the Skate Park area. Further workshops were held during the Easter School Holidays.

Remembrance Day | Centenary of the Armistice

Especially touching tributes took place to commemorate the 100 year anniversary of the Armistice that ended the First World War.

Council was successful in applying for state funding to mark the occasion with regional clay poppy making workshops; display at City Hall featuring community-knitted poppies, red for our troops and purple for the animals that died; lighting local buildings in red; and the Local Voices of Remembrance Concert at the World Theatre and Commemoration Luncheon at the RSL.

Off-Leash Dog Area

Q: Why did the dog cross the road?

A: To get to the barking lot.

Just kidding, it was to get to the new off-leash dog area in Charters Towers!

A fully enclosed, 1500 square metre area featuring dog agility equipment, water tap and bowl, signage and seating at Lissner Park has been a welcome addition for devoted dog owners. The off-leash dog area is located at the Anne Street side of Lissner Park and has received fantastic reviews.



Rural Industry Advisory Committee Members reconvene to discuss, grids, invasive plants and animals and wild dogs

ADVOCACY

PROGRESS & PERFORMANCE

Advocacy Committee

2018/19 saw the establishment of Council's Advocacy Committee to bring focus and momentum behind critical matters for our region.

The Committee Chaired by Mayor Liz Schmidt also consists of Deputy Mayor Sonia Bennetto, Cr Mike Power and Chief Executive Officer Aaron Johansson.

Advocacy Plan

Mayor Liz Schmidt released the Advocacy Plan for the region in early 2019.

The Mayor had this to say about how the community and Council could work together in the advocacy space:

"This strategy is designed to provide a platform for key initiatives that we need 'outside' support for to drive our community forward. Advocacy is a powerful way for communities to progress matters that are important to them and is most effective when community, Council and other levels of government work together constructively. In fact, anyone can be an advocate for causes they believe in, and I invite you to consider being proactively involved in community discussions, surveys and committees when opportunities arise, or alternatively connecting with Council if you wish to work together for a positive community outcome. These are the ways we can continue to ensure we share a strong, united voice on the matters that are important to our Region.

Federal Election Priorities

Council adopted eight key issues recommended by the Advocacy Committee to push for going into the 2019 federal election.

These issues were listed in a brochure that was sent to Federal candidates, Ministers and Senators, as well as other key stakeholders.

1. Big Rocks Weir
2. Drought Assistance
3. Flying Fox Management
4. Transport Infrastructure
5. Federal Assistance Grants/Our Fair Share
6. Defence
7. Telecommunications
8. Improved Health Services

Satisfaction Survey

Council commissioned its first ever Community Satisfaction Survey in 2018, to measure how well Council is performing each function and service in the eyes of our residents, as well as which services are deemed as most important.

The results showed we are on par with rural Councils state-wide, with an overall score of 3.32/5.00.

The survey has assisted Council in developing very clear goals for improvement.

Council-led, community-based committees

Council strengthened its community engagement in 2018/19, with continuation of the Indigenous Reference Group and Flying Fox Advisory Committee; recommencement of the Rural Industry Advisory Committee and creation of the Weir Recreation and Ski Park Reference Group.



OUR ORGANISATION

PROGRESS & PERFORMANCE



Trainees

Council welcomed 6 new trainees at the beginning of 2019 as part of the “Skilling Queenslanders for Work” First Start program.

First Start is designed to provide education and employment opportunities to young people and disadvantaged job seekers. The program allows the trainees to gain a recognised qualification from a registered training organisation and 12 months of paid employment with the local council.

Past trainees have successfully gained permanent employment with Council or gained employment with other organisations.

The new trainees work in different areas including business administration, the Library, horticulture and conservation and land management.

“This is a great opportunity for our youth. It’s a pleasure for Council to provide these traineeships and support these young people to gain real-world experience,” said Mayor Liz Schmidt.

The First Start program is proudly funded by the Queensland Government.

Enterprise Resource Planning

In the 2018/19 budget, Council announced the upgrade of its IT systems through the implementation of new Enterprise Resource Planning (ERP) software.

This is a major system upgrade which will result in greater internal control and accountability across Council’s departments.



Councillors and Executive Leaders welcome the 2019 intake of Trainees to Council



The Administration Building located at 12 Mosman Street, Charters Towers

Once established, the new ERP system will provide an integrated platform that will help Council to:

- reduce costs
- improve efficiencies and our service delivery to the community
- streamline processes through the centralised management of council operations

Given the technical nature of the project, a multi-phased process is required to ensure sufficient time and resources are provided for implementation of the new software.

Phase 1 went live on the 4th of March 2019 and replaced the existing systems for accounting, corporate services and asset management.

Enterprise Bargaining Agreement (EBA)

During 2018 and 2019 Council commenced enterprise bargaining negotiations with staff and the combined unions to implement a new Agreement.

The aim of the Agreement is:

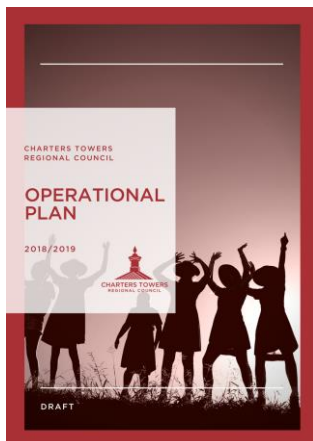
- a) To improve productivity and efficiency within the Council;
- b) To facilitate greater flexibility of working arrangements within the framework of this Agreement;
- c) To ensure continued reform, using a consultative approach;
- d) To provide certainty, stability and equity in relation to overall pay increases and conditions for the period of operation of the Agreement;
- e) To provide the time, resources, processes and people for the above to occur.

The new agreement is known as 'Charters Towers Regional Council Union Collective Certified Agreement 2019' and will expire on 30 June 2021.

*Charters Towers Regional Council Union Collective Certified Agreement 2019 was certified at the Queensland Industrial Relations Commission on Friday 19 July 2019.



OPERATIONAL PLAN



The Operational Plan is a requirement under the *Local Government Regulation 2012* and the plan was prepared in accordance with those requirements and is one of the important strategic documents in relation to the Strategic Framework that Council operates within under legislation. The Operational Plan details how Council will achieve the Corporate Plan in the given financial year.

The following sections summarise the outcomes of the projects detailed in the Operational Plan. The sections have been separated into the four directorates: Office of the Chief Executive Officer, Planning and Community Services, Corporate and Customer Services and Infrastructure Services.



The Executive Leadership Team
L-R Marnie Taylor, Cameron Scott and Aaron Johansson

OFFICE OF THE CEO

Is the leadership for the organisation's performance and planning, continuous improvement, statutory compliance and management of risk, support for the elected members and executive support and decision making through and with Council's Executive Leadership Team.

DEPARTMENTS

- ✓ Elected Member Support
- ✓ Governance
- ✓ Marketing
- ✓ Media and Communications
- ✓ Disaster Response and Recovery

CORE SERVICES

Program	Service Provided
Community Consultation	Community Surveys Community Liaison
Official Functions and Delegations	Hosting of overseas and local trade delegations Community Events
Media Relations	Media releases Media liaison
Elected Member Support	Council Meetings Agendas and Minutes
Advocacy	Participation in regional and state wide organisations
Organisational Performance	Development, monitoring and reporting
Corporate Branding and Image	Website and social media platforms Marketing
Disaster Management	Disaster Response and Recovery
Legislative Compliance	Policy Development and Review
Governance and Administrative Review	Internal Audit Enterprise Risk Management



PROJECTS
DELIVERED

SIGNIFICANT KEY PERFORMANCE INDICATORS/PROJECTS AS INCLUDED IN THE 2018/2019 OPERATIONAL PLAN

PROJECTS

On track/completed

- ✓ Northern Alliance of Councils Inc annual conference – Ingham, August 2018
 - ✓ Organisational Restructure
 - ✓ Chief Executive Officer's Organisational Development Plan
 - ✓ Advocacy Committee formed. Federal Election Priorities and Advocacy Plan developed
 - ✓ Community Satisfaction Survey developed and implemented
 - ✓ Organisational Performance Management framework reviewed and made consistent across the organisation
 - ✓ Supported the local State Emergency Service in developing the Cadet Program
-

LOOKING BACK: KEY ACHIEVEMENTS AND CHALLENGES

Elected Members:

Ministerial visits: Our elected members advocated on behalf of our Region to a number of visiting Ministers and dignitaries including:

- ✓ His Excellency the Honourable Paul de Jersey AC, Governor of Queensland
- ✓ Minister for Agriculture and Water Resources, Mr David Littleproud MP
- ✓ Shadow Minister for Transport and Main Roads, Mr Steve Minnikin
- ✓ Minister for Local Government, Minister for Racing and Minister for Multicultural Affairs, Hon Sterling Hinchliffe
- ✓ Senator for Queensland, Senator Matt Canavan
- ✓ Maj General Stuart Smith, Queensland Reconstruction Authority Board
- ✓ Shadow Minister for Local Government, Ms Ann Leahy

Regional Representation: Elected members represented the region at a number of local, regional and state and national events, including:

- ✓ Attended the Local Government Association of Queensland Inc's Annual Conference
- ✓ Attended various workshops hosted by Townsville Enterprise Limited
- ✓ Attended the Miners Memorial Service in Charters Towers
- ✓ Attended the Isolated Children's and Parents Association local conference
- ✓ Met with Department of Defence to secure local exercise to allow further support to local businesses

Northern Alliance of Councils (NAOC):

- ✓ Charters Towers Regional Council acted as the Secretariat for the NAOC, with Mayor Liz Schmidt in the role of President.

Governance

- ✓ Organisation wide review: Completion of an organisation wide review and implementation and recommendation for a re-structure of three Directorates to two Directorates. Highlights included, no redundancies, further opportunities for third level management positions and realignment of services to better serve the communities needs
- ✓ Chief Executive Officer's Organisational Development Plan: Continuing to meet targets
- ✓ Implementation of new policies in line with the Belcarra legislation and the Crime and Corruption Commission's Conflicts of Interest Audit
- ✓ Advocated for the Big Rocks Weir Project
- ✓ Engaging Australian Defence with local business for the Australian Singapore Military Training Initiative

THE AUSTRALIAN
AND QUEENSLAND
GOVERNMENTS
PROVIDED

\$52K

IN FUNDING TO
INSTALL A NEW RAIN
AND RIVER GAUGE
SYSTEM, NEAR THE
BURDEKIN RIVER
BRIDGE (AT
STARBRIGHT
STATION) ON THE
HERVEY RANGE
DEVELOPMENTAL
ROAD.

Marketing, Media and Communications

✓ Remembrance Day: 11 November 2018 was the centenary of the Armistice that ended the First World War. In the lead up to Remembrance Day 2018, Council worked with community groups to contribute to the commemorations. A special concert – "Voices of Remembrance" was organised and a short video highlighting the concert was shared with the community.

✓ Monsoonal trough - 25 January to 14 February 2019: media was heavily influenced by the flooding that occurred in the north. Media outlets nationally and internationally covered the event. To ensure the correct information was distributed to the community and to media, daily 'news style' video updates were produced by the Local Disaster Coordination Centre.

✓ Community Satisfaction Survey: The survey measured how well Council was performing each function and service in the eyes of the community, as well as which services were deemed as most important. It was the first of its kind conducted by Council. The results showed Council is on par with other rural Councils state-wide.

Disaster Response and Recovery

Natural Disaster Resilience Funding

Council was successful in receiving funding under the Natural Disaster Resilience Funding for the installation of a Flood Monitoring System near the Burdekin River on the Hervey Range Developmental Road. The system has been moved within Starbright Station and offers another level of intelligence to Council's Local Disaster Management Group. The general public will be able to access the vision on Council's Emergency Dashboard. The installation of this system will assist in the mitigation of the effects of flooding in the Burdekin River catchment.

Get Ready Funding

Council used part of its Get Ready Funding to place skins on its garbage truck. The skins encourage residents to know what their "What If" Plan is in the event of a disaster. One side of the truck is a flood, the other side is a bushfire.

North Queensland Monsoon Trough

✓ Charters Towers Region, together with several northern and western local authorities, did not see sunshine for eight days or more. The Burdekin River on the Flinders Highway East and a number of significant tributaries on the Gregory Developmental Road north kept many travellers in Charters Towers including over 300 trucks for approx. 8 days. Even though the roads were cut to the east and the north, there was still an ability to travel south and west. Council worked with the District Disaster Management Group, grazing properties and communities in respect of re-supply and were able to provide food and medical supplies to a number of residents. Communications during this period were paramount and the information that was made available to the public, via a number of platforms during this time was acknowledged not only by the regional community but also the State.

LOOKING FORWARD: KEY ISSUES FOR THE NEXT 12-18 MONTHS

Continuing to advocate for the key issues identified in Council's Advocacy Plan

Biennial Community Satisfaction Survey to be developed

Continue the promotion of sale of land for Cunningham Industrial Estate

Prepare an Economic Development Strategy 2020-2025

Prepare a "Priority Projects Prospectus" document

Develop a Tourism Strategy

Develop a draft event plan for the Region's 150 year anniversary in 2022

Photo taken by: Kate Andison

PLANNING AND COMMUNITY SERVICES

The key objectives of the Planning & Community Services Directorate are to:

- Promote economic and environmental viability and sustainability of the region;
- Ensure the facilities provided by Council are accessible and equitable to promote social and cultural growth whilst enabling the community to actively engage in recreational activities.

DEPARTMENTS

DEPARTMENTS

- ✓ Excelsior Library and Archives
- ✓ Tourism
- ✓ Community Services
- ✓ Rural Services
- ✓ Planning and Development
- ✓ Animal Management
- ✓ Environmental Services
- ✓ Facilities Management
- ✓ World Theatre

CORE SERVICES

Program	Service Provider
Excelsior Library and Archives	Customer service Library services Home delivery service Archive and history services Educational and digital literacy programs Public access internet Holiday and outreach program
Tourism	Customer service Visitor services, including Visitor Information Centre Destination marketing and promotion Tourism and product development Visitor Information Centre merchandise sales and tour desk ticketing sales Venus Gold Battery and Towers Hill tourist attractions
Community Services	Customer service Events Regional Arts Development Fund (RADF) Community/township engagement Foster and encourage the development of culture in the region Community Grants
Planning and Development	Customer service Development assessment Strategic land use and infrastructure planning Building and plumbing certification Compliance and enforcement Heritage and state land advice Economic development
Animal Management	Customer service Local Laws enforcement and compliance Animal control and pound services
Environmental Services	Customer service Environmental protection Environmental health monitoring and licensing Waste management Waste planning Pest Weed and Pest Animal management Biosecurity compliance Land leasing for rural activities
Facilities Management	Facilities planning, construction, maintenance and management including community venues, pools and sporting facilities Property management and maintenance of other Council buildings and facilities, including hire of parks and buildings, leasing of buildings and sport and recreational facilities
World Theatre	Customer service Management of The World Theatre including, cinema, live performances and gallery activities

SIGNIFICANT KEY PERFORMANCE INDICATORS /PROJECTS AS INCLUDED IN THE 2018/2019 OPERATIONAL PLAN

PROJECTS

On track/completed

Excelsior Library and Archives

- ✓ Digitisation of Charters Towers Archive Group's images completed
- ✓ Tech Savvy Job Ready program scheduled to continue into 2019-20
- ✓ Installation of Interactive Touchscreen funded under the Public Library Strategic Priorities Grant completed

Tourism

- ✓ World War II Augmented Reality Project – Towers Hill digital device app was developed and trigger point signage and table top installed at the Towers Hill WWII bunker site
- ✓ Damaged tourism signs replaced on Towers Hill

Community Services

- ✓ RADF Youth Strategic Initiative Project on track - youth workshops created street art murals at the Defiance Mill Skate Park
- ✓ Towers Rush event implemented and completed

Rural Services

- ✓ Draft Saleyard and Equestrian Centre Asset Management Plans prepared

Planning and Development

- ✓ The Charters Towers Regional Town Plan received the Minister's approval for adoption and will commence from 29 July 2019 and is the first Planning Scheme under the Planning Act 2016 to receive approval
- ✓ STRAT0061 - Management of Local Government Caravan Parks was adopted which saw an increase in service levels at Macrossan, Fletcher Creek and Ravenswood Showgrounds Reserves as well as new informative signage

Facilities Management

- ✓ Accessibility ramp for WWII bunkers at Towers Hill installed under Works for Queensland Program
- ✓ Centenary Park path widened under Works for Queensland Program
- ✓ Lissner Park Off-Leash Dog Park completed under Works for Queensland Program

World Theatre

- ✓ Projector and stage curtain replacement

Undeliverable

Planning and Development

- ✓ The draft Charters Towers Regional Local Government Infrastructure Plan is currently being amended due to challenges in the age and state of many of the Region's infrastructure assets
-

KEY PERFORMANCE INDICATORS

PROJECTS

Meeting/Exceeding target

Tourism

- ✓ The Visitor Information Centre received 25,869 visitors, 4,230 telephone enquiries and
- ✓ 3,505 email enquiries

Community Services

- ✓ 100% acquittal of due RADF funding applications approved
- ✓ 100% of RADF Community Project funding expended (potential to expend further funds if available)
- ✓ Towers Rush lead-up event attendance increased by 146%
- ✓ Towers Rush received countless positive feedback for the event

Planning and Development

- ✓ Development assessment timeframes for planning applications achieved an average assessment time of 5 days down from the four-year average of 19 days

Monitor

Tourism

- ✓ 'Visit Charters Towers' website has reached 48,555 users and 120,942-page views in the 2018/19 financial year. This has demonstrated the quality of the content and interest in our region and is a noteworthy service that links our social media channels of Facebook and Instagram in the mix in the marketing and promotional activities done by our team. These are used in pivotal roles to extend the reach of the Charters Towers message and profile to the world.

Environmental Services

- ✓ Study to identify future landfill site or other options including transfer stations, waste to energy plants etc; on hold due to new legislation

Below Target

World Theatre

- ✓ Stage refurbishment rescheduled for December 2019 due to delay in availability of materials
-

LOOKING BACK: KEY ACHIEVEMENTS AND CHALLENGES

Excelsior Library and Archives

- ✓ Installation of Interactive Touchscreens
- ✓ Digitised Charters Towers Archive Group's photo collection. Collection now available through libraries online catalogue

Tourism

- ✓ A new look Regional Holiday Guide was developed to promote the region with a well-received end product
- ✓ Showgrounds operating as camping overflow facility for the fifth year
- ✓ VIC was awarded a Trip Advisor Hall of Fame - Certificate of Excellence for receiving a Certificate of Excellence for five consecutive years
- ✓ VIC staff and volunteers attended the TNQ volunteers conference in the Burdekin

Community Services

- ✓ Implementation and completion of the 10,000 Steps Walkway Signage program
- ✓ Distribution of Community Drought Support Funding to community organisations throughout the region

Rural Services

- ✓ Internal audit conducted at the Saleyards

Animal Management

- ✓ Dogs of the Towers photo competition was a success with 37 entries
- ✓ A total of 410 dogs were impounded with 169 claimed by owners, 96 rehomed and 145 sent to rescue organisations

Environmental Services

- ✓ Container Refund Scheme introduced in the Charters Towers Region
- ✓ Flying Fox Reference Group established
- ✓ Wild Dog Baiting Campaigns carried out
- ✓ 3 x 1 day Pest Advisory Forums/Workshops held
- ✓ Rural Industry Advisory Committee established

Facilities Management

- ✓ Administration Centre reception area updated
- ✓ Henry's Restaurant renovation in progress

LOOKING FORWARD: KEY ISSUES FOR THE NEXT 12–18 MONTHS

Excelsior Library and Archives

- ✓ Strengthening partnership with Workways to deliver Tech Savvy Job Ready program to job seekers

Tourism

- ✓ Tourism Services engaged with Sealink and James Cook University to conduct a visitor survey until 2020
- ✓ Celebrating the 40th anniversary of the Repco Reliability Retrial in August 2019 Community Services
- ✓ Welcoming the Australian Caravan Club Chairman's Muster in May 2020
- ✓ Updating Council's Arts & Cultural Policy and Plan and adopting a connected Public Art Policy

Planning and Development

- ✓ Commencement and implementation of the Charters Towers Regional Town Plan and Local Government Infrastructure Plan

Animal Management

- ✓ Development of a formal strategy to manage the Region's domestic and feral cat populations

Environmental Services

- ✓ Development of a new waste strategy based on the North Queensland Regional Waste Infrastructure Plan
- ✓ Delivery of a Trade Waste Management Plan and implementation regime across the Region

Facilities Management

- ✓ Amalgamation of City Hall and Administration Centre offices

World Theatre

- ✓ Reactivation of Henry's Restaurant

INTEREST FACTOR:

Tourism

- ✓ Service milestones reached by Visitor Information Centre volunteers - Ros Fielding (5 years), Diane Cranston (5 years), Amanda Stevens (5 years), Kathy Stibbs (5 years) and Ann Bridgeman (10 years)

Community Services

- ✓ The 'Today Show' live weather cross occurred in April
- ✓ Local sporting clubs hosted events as part of the Great Western Games

Animal Management

- ✓ Rangers undertook programs to encourage rehoming and greater pet responsibility including waiving registration fees for rehomed animals until June 2020 and participating in the RSPCA's Operation Wanted 20% off desexing drive

Facilities Management

- ✓ World Theatre façade reconstructed after lightning strike

World Theatre

- ✓ The World Theatre attracted national and international performers with over 173 cultural events, which entertained 24,707 people over 1,212 sessions
- ✓ The World Theatre Art Gallery hosted nine exhibitions, featuring local artists and touring exhibitions
- ✓ Fundraiser movie premieres supported ZONTA, Towers Jockey Club and Towers Players



CORPORATE AND CUSTOMER SERVICES

The Corporate & Customer Services Directorate is essentially the central business and financial hub providing horizontal services across Council. Corporate & Customer Services is structured to support the other directorates to deliver services across the community.

DEPARTMENTS

- ✓ Finance & Assets
- ✓ Information Technology & Records
- ✓ People & Culture
- ✓ Administration Services

CORE SERVICES

- ✓ Financial management and sustainability
- ✓ Procurement
- ✓ Information Technology
- ✓ Records management
- ✓ Human Resource planning; recruitment and selection; learning and development; performance management; employee attraction and retention
- ✓ Customer service; Property and rating

SIGNIFICANT KEY PERFORMANCE INDICATORS/PROJECTS AS INCLUDED IN THE 2018/2019 OPERATIONAL PLAN

PROJECTS

On track/completed

- ✓ W4Q 2017-2019 IT Communications & the Local Government Grants and Subsidies Program 2017-2019 Installation of Smart Cities Infrastructure, including network expansion with community WiFi hotspots
- ✓ W4Q 2017-2019 Smart Water Meter (MiWater) Implementation
- ✓ Establish Directorate based WHS subcommittees with elected representatives for each directorate

Undeliverable

- ✓ Develop and adopt a comprehensive financial planning model by the end of Q4 2018/19 - delay in the implementation of TechnologyOne's OneCouncil platform
- ✓ Integrate financial plan with asset management plans by end of Q4 2018/19
- ✓ Review and revise relevant financial policies by the end of Q4 2018/19
- ✓ Significantly improve reporting regime which may include periodic external review following 2019/20 budget load to OneCouncil platform

Not proceeding

- ✓ The implementation of the Property and Rating modules as part of the ERP project is on hold pending product improvements and agreement on an implementation timeframe.
-

KEY PERFORMANCE INDICATORS

PROJECTS

Meeting/Exceeding target

- ✓ Implementation of OneCouncil, Phase 1 of the Enterprise Resource Planning (ERP) platform provided by TechnologyOne
- ✓ Establish a Trainees and Apprentices Plan with approved roles and headcounts to take a long-term view on intakes by end of Q4 2018/19

Monitor

- ✓ Develop and adopt a comprehensive financial planning model by the end of Q4 2019/20
 - ✓ Integrate financial plan with asset management plans by end of Q4 2019/20
 - ✓ Review and revise relevant financial policies by the end of Q4 2019/20
 - ✓ Significantly improve reporting regime following 2019/20 budget load to OneCouncil platform
-

LOOKING BACK: KEY ACHIEVEMENTS AND CHALLENGES

It is said that, such is the nature of Local Government that change can only be expected. This year has been no exception. Further changes to the directorates were adopted by Council which will result in a two directorate structure, condensing departments from Planning & Community Services to the Corporate & Customer Services and Infrastructure Services in 2019/20.

Other challenges for the directorate involved the ERP Implementation (Restart) Project. Much of the Financial deliverables in the 2018/19 Operational Plan hinged on the implementation of Phase 1 of TechnologyOne's OneCouncil platform. The ERP Implementation (Restart) Project is primarily resourced from Council's Finance & Assets Department which meant staffing resources for ordinary operations were at capacity through the year.

The installation of Smart Cities Infrastructure project presented a challenge for the IT Team, who successfully worked with the appointed contractor to complete the project on time and within budget.

A person with dark hair, wearing a white t-shirt, is seen from the back, looking at a large, vibrant mural on a wall. The mural features a blue parrot with red and yellow accents, and large red flowers with yellow centers. The background of the mural is green and blue, suggesting foliage and sky. The person is standing in front of the mural, which is painted on a light-colored wall.

LOOKING FORWARD: KEY ISSUES FOR THE NEXT 12-18 MONTHS

Amalgamation of City Hall and Admin Centre

ERP Implementation (Restart) Project - Property & Rates functions in the OneCouncil platform

Organisational Development Plan (2019-2021) – As well as the outward facing priorities of completing the aforementioned community development projects, the directorate will strive for improvements in efficiencies through action items set out in Charters Towers Regional Council's Organisational Development Plan.

Interest factor:

- Refurbishment of the Administration Centre Reception area in June 2019, updated the space and improved customer serviceability and increased security for Council staff.

INFRASTRUCTURE SERVICES

Infrastructure Services is responsible for provision of essential services and the associated infrastructure across the whole region, including water, sewerage, roads, open spaces and workshops.

As part of the move to a two (2) directorate structure, Environmental Services, Facilities and Saleyards operations were transitioned into Infrastructure Services late 2018/19.

DEPARTMENTS

- ✓ Roads, Drainage and Open Space Construction & Maintenance
- ✓ Technical Services
- ✓ Utilities
- ✓ Facilities
- ✓ Fleet Services
- ✓ Environmental Services
- ✓ Saleyards

CORE SERVICES

- ✓ Road & drainage construction & maintenance
- ✓ Road contract works
- ✓ Water & waste water treatment & reticulation
- ✓ Open space construction & maintenance
- ✓ Infrastructure asset management & planning
- ✓ Township operations
- ✓ Facilities management
- ✓ Saleyards operations
- ✓ Fleet management & planning

SIGNIFICANT KEY PERFORMANCE INDICATORS /PROJECTS AS INCLUDED IN THE 2018/2019 OPERATIONAL PLAN

PROJECTS

On Track/Completed

- ✓ Annual road maintenance programme modified to accommodate flood affected areas delivered;
- ✓ Program Capital works completed for roads and drainage;
- ✓ Capital works for water and waste water completed. Water Infrastructure Upgrade Project (WIUP) delayed, completion due January 2020;
- ✓ Contract works associated with the Department Transport and Main Roads (DTMR) for widening of Gregory Developmental Road ongoing throughout the year, projected completion October 2019;
- ✓ W4Q projects for the Directorate completed.
- ✓ Airport Runway lighting upgrade project completed, Building Our Region
- ✓ Asset Management Plan drafted

Not Proceeding

- ✓ Mosman Creek Retention Basin (fell under Building Our Regions Funding)
 - ✓ Effluent Reuse Project (fell under Building Our Regions Funding)
-



PROJECTS
DELIVERED

KEY PERFORMANCE INDICATORS

PROJECTS

Meeting/Exceeding target

- ✓ Capital works targets

LOOKING BACK: KEY ACHIEVEMENTS AND CHALLENGES

- ✓ Ongoing contract works with TMR, project delivered within budget despite delay due to declared weather event.
- ✓ Large scale emergent works program on Council's road network due to the declared weather event.
- ✓ Works for Queensland project delivered within financial year.

LOOKING FORWARD: KEY ISSUES FOR THE NEXT 12–18 MONTHS

- ✓ Delivery of large scale DRFA reconstruction program; approx. value \$60 million.

The following initiatives, as outlined in the Organisational Development Plan, (2018/19-2020/21) will commence over the next 12-18 months:

- ✓ Inventory, condition assessment & compliance for all gravel pits;
- ✓ Gravel pit remediation strategy to address compliance risks;
- ✓ Strategic asset management plans for urban and rural road networks;
- ✓ Mitigation strategy for reoccurring impacts of flooding on road assets;
- ✓ Adoption of a total water cycle plan and strategic asset management plan for each community;
- ✓ Adoption of a maintenance management plan for water and wastewater assets to change focus from reactive to pro-active maintenance;
- ✓ Critically review demand management arrangements including the application of water restrictions;
- ✓ Adoption of a water supply network pressure and leak management program to reduce system losses; and
- ✓ Investigate the potential to introduce Class A treated effluent water for community and educational users.
- ✓ With the upcoming finalisation of the TMR contract (Hillgrove), the planning for the return of staff is required to ensure there is a smooth transition for staff.
- ✓ Multiple Works 4 Queensland projects to be delivered by June 2021.

INTEREST FACTOR:

Continuation of contract with the Department of Transport & Main Roads (DTMR) for further widening of the Gregory Development Road is contributing to the region in terms of opportunities for the contracting market, and Council employees.

AUDIT & RISK COMMITTEE

Council's Audit & Risk Committee—

- (a) monitors and reviews:
 - (i) the integrity of financial documents;
 - (ii) the internal audit function; and
 - (iii) the effectiveness and objectivity of the local government's internal auditors; and
- (b) makes recommendations to Council about any matters it considers need action or improvement.

The Audit & Risk Committee operates under a charter outlining its role, responsibilities, composition and operating guidelines, in accordance with the Financial and Performance Management Standard 2009.

These activities include, but are not limited to:

- ✓ Corporate governance,
- ✓ Internal control systems,
- ✓ Enterprise wide risk management,
- ✓ Internal and/or external audit functions,
- ✓ Statutory compliance, and
- ✓ Financial reporting.

Council's Audit & Risk Committee comprised three members in 2018/2019:

- ✓ Ms Carolyn Eagle (Chair and External Member) *[Mr Rodger Dunstan, former Chair and External Member, stood down from this position after the October 2018 meeting]*
- ✓ Mayor Liz Schmidt
- ✓ Cr Graham Lohmann

Alternate members of the Audit & Risk Committee are Cr Sonia Bennetto (deputising for Mayor Liz Schmidt) and Cr Roma Bailey (deputising for Cr Graham Lohmann). All Councillors are invited to attend the meetings.

Audit & Risk Committee meetings are also attended by the Chief Executive Officer and Directors, and officers are invited to attend where required. Representatives of the external auditor (appointed by Queensland Audit Office) and the contracted internal auditor also attend as advisers.

Council's internal audit function is contracted to an external provider who undertakes reviews in accordance with the agreed Internal Audit Plan.

During 2018/19 the Audit Committee met on the following dates:

- 29 August 2018
- 4 October 2018;
- 20 March 2019
- 11 June 2019.

During the year, the Audit & Risk Committee considered reports on the following matters:

- ✓ Audited Financial Accounts;
- ✓ External Financial Audit Plan
- ✓ Asset Valuations
- ✓ Monthly Financial Reporting
- ✓ Regular reporting on work health and safety, people and performance, governance and risk management, project delivery, and complaints management.

The 2018/19 Internal Audit Plan, devised a review across the following areas:

1. **The World Theatre;**
2. **Visitor Information Centre;**
3. **Excelsior Library;**
4. **Kennedy Regiment Memorial Pool;**
5. **Purchasing cards;**
6. **Valuation of Infrastructure Assets;**
7. **Review of progress against CCC Conflict of Interest report recommendations; and**
8. **Roads contract and project management.**

The Committee adopted an Annual Work Plan in March 2019. The Annual Work Plan is considered a better practice guide and sets out the key reporting matters for each of the four meetings held annually.

STATUTORY INFORMATION

Code of Competitive Conduct

In accordance with sections 45 and 47 of the *Local Government Act 2009*, Council resolved that the Code of Competitive Conduct did not apply to the Council's business activities for the following reasons:

Prescribed Business Activity section 39 (Regulation)	Code of competitive conduct applied section 47(7)	Reasons for not applying Code section 47(8) of the <i>Local Government Act</i>
Road Activity	No	Council's status as a sole invitee (Road Maintenance Performance Contract and Transport Infrastructure Contract – Sole Invitation) provides the basis for the works to be undertaken.
Water & Sewerage	No	This activity is not in direct competition with other service providers.
Saleyards	No	This activity is not in direct competition with other service providers.
Fleet Management	No	Council's fleet is primarily for internal needs such as maintaining public roads and streets.
Waste Management & Landfill	No	This activity is not in direct competition with other service providers.
Cinema Screening	No	Cinema operations are conducted in conjunction with theatre/gallery activities and are not considered in direct competition with other service providers. Costs associated with cinema activities do not meet threshold as prescribed by regulation.

Summary of all Concessions for Rates and Charges Granted by Local Government

Council provides rating concessions on properties owned by Pensioners registered with Centrelink, where the property is their principal place of residence and where the rate account is fully paid by 15 June within the rating period. The concession for eligible pensioners is made up of a remission calculated on the general rate, to a maximum of 27% of the general rate levy applicable to the rating category designated, capped at \$336 per year.

Administrative Action Complaint Disclosures

In accordance with s268 of the *Local Government Act 2009* (the Act), an Administrative Directive has been developed to provide instruction on the requirements of processing, recording, investigating and resolving of customer complaints (including administrative action complaints) in the appropriate manner in accordance with Council's Complaints Management Process. A complaint must be dealt with pursuant to the formal Complaint Management Process.

Complaints are viewed as an opportunity for improvement, providing feedback to Council about a service delivery experience or decision of council. Analysis of the complaints received informs Council's continuous improvement process and generally improves the quality of Council's service.

A robust database of timely and accurate information is an integral component of improving customer satisfaction. Consequently, all complaints are electronically recorded. Council's electronic workflow process incorporates appropriate records of an officer's dealings with a complaint and a reporting function enables analysis of complaints to determine the root cause and to identify any apparent trends or systemic issues.

All complaints are recorded in the system, whether they are received verbally, in writing or via electronic means. Regular reports from the system are provided to Senior Management as part of Council's overall customer service quality improvement strategy. For further information on Council's complaints management process, see <http://www.charterstowers.qld.gov.au/complaints-management>.

Council received 8 administrative action complaints during the 2018/19 financial year.

In accordance with S187(2) of the Regulation, Council reports the following –

Number of administrative action complaints:

I.	Made to Council	8
II.	Resolved by Council under the complaints management process	4
III.	Not resolved by Council under the complaints management process	4
IV.	The Number of administrative action complaints not resolved by Council under the complaints management process that were made in a previous financial year.	Nil

Councillor Complaints

On 3 December 2018, state government legislative changes came into effect which altered how Councillor conduct and complaints are handled in Queensland. Included in the changes were the annual reporting requirements relating to councillor conduct and complaints.

Section 186 of the *Local Government Regulation 2012* requires that Council's Annual Report contain the number of orders or recommendations made by the Regional Conduct Review Panel or the Mayor in relation to Councillor misconduct or inappropriate conduct.

Council must also provide a report on the complaints it has received and dealt with for the financial year in relation to Councillors.

Table 1: Complaints about Councillors and orders made 1 July 2018 to 2 December 2018

Section of the <i>Local Government Act 2009</i>	Type of complaint/order	Total No.
s180(2) or (4)	Number of orders and recommendations made about misconduct	Nil
s181	Number of orders made for inappropriate conduct	Nil
s176C(3)(a)(i)	Complaints referred to the department's Chief Executive about inappropriate conduct by the Mayor or Deputy Mayor	Nil
s176C(2)	Complaints about conduct or performance of Councillors for which no further action was taken	Nil
s176C(3)(a)(ii) and (b)(i)	Complaints referred to the Mayor about inappropriate conduct by a councillor other than the Mayor or Deputy Mayor	Nil
s176C(4)(a)	Complaints about misconduct referred to the department's Chief Executive	Nil
s176C(4)(b)	Complaints about misconduct referred to the regional conduct review panel or the tribunal	Nil
s176C(5)	Complaints assessed by the Chief Executive Officer as being about corrupt conduct	Nil
s176C(6)	Complaints about another matter	Nil

Table 2: Complaints about Councillors and orders made 3 December 2018 to 30 June 2019

Section of the <i>Local Government Act 2009</i>	Type of complaint/order	Total No.
s150I(2)	Chairperson makes an order for unsuitable meeting conduct	Nil
s150AH(1)	Disciplinary action against a councillor for inappropriate conduct	Nil
150AR(1)	Disciplinary action against a councillor for misconduct	Nil
150P(2)(a)	Complaints referred to the assessor by the local government	Nil
150P(3)	Matters referred to the Crime and Corruption Commission by the local government	Nil
150R(2)	Notices given by the CEO or a Councillor to the assessor about a councillor's conduct (1)	Nil
150S(2)(a)	Notices of misconduct given to the assessor by the local government	Nil
150W(a),(b),(d)	Decisions by the assessor to dismiss, refer to the local government or take no further action	Nil
150AC(3)(a)	Occasions where referral notices from the assessor recommend conduct should be referred to another agency for consideration	Nil
150AF(4)(a)	Occasions where information about misconduct is obtained by the local government during investigation that is given to the assessor	Nil
Chapter 5A, part 3, division 5	Occasions where the local government asked another entity to investigate suspected inappropriate conduct of a councillor	Nil
Chapter 5A, part 3, division 6	Applications heard by the conduct tribunal about the alleged misconduct of a councillor	Nil

Expenditure on Community Organisations: grants, rebates and in-kind donations

Total expenditure for the financial year on grants to community organisations was \$344,966.

Councillors' Discretionary Funds allocations for the 2018-2019 financial year are set out below:

Mayor ER Schmidt:

Date	Organisation	Purpose	Donation amount	Balance
Allocation 2018-19				\$3000
24-09-18	Blackheath & Thornburgh College P&F Assn	Hire of Blackthorn Hall for Flying Fox Forum 05-09-2018	\$148.00	\$2852
28-08-18	Ms Tania Ault	Assist with costs of ceremony - RAAF Medallion Presentation	\$132.44	\$2719.56
20-02-19	44 th Van Nationals & Street Machine 2019 Show – C/- R Thomson	Donation for hire of CT Showgrounds for event on 21 April 2019	\$52.00	\$2667.56
21-03-19	Charters Towers & District Pony Club	Assistance with cost of preparation of Equestrian Centre Campdraft Area prior to Pony Club Clinic on 30 & 31 March	\$261.00	\$2406.56
12-06-19	Gold City Campdraft Assn Inc	Assistance with cost of hire of generator for Campdraft 14-16 June 2019	\$116.09	\$2290.47

Deputy Mayor S Bennetto:

Date	Organisation	Purpose	Donation Amount	Balance
Allocation 2018-19				\$2000
24-09-18	Blackheath & Thornburgh College P&F Assn	Hire of Blackthorn Hall for Flying Fox Forum 05-09-2018	\$142.00	\$1858
20-02-19	44 th Van Nationals & Street Machine 2019 Show – C/- R Thomson	Donation for hire of CT Showgrounds for event on 21 April 2019	\$52.00	\$1806
12-06-19	Gold City Campdraft Assn Inc	Assistance with cost of hire of generator for Campdraft 14-16 June 2019	\$107.00	\$1699

Councillor GJ Lohmann:

Date	Organisation	Purpose	Donation Amount	Balance
Allocation 2018-19				\$2000
24-09-18	Blackheath & Thornburgh College P&F Assn	Hire of Blackthorn Hall for Flying Fox Forum 05-09-2018	\$142.00	\$1858
11-12-18	Zara Clark Museum Committee	Assist with cost of opening ceremony for Kennedy Regiment Legacy Exhibition	\$150.00	\$1708
20-02-19	44 th Van Nationals & Street Machine 2019 Show – C/- R Thomson	Donation for hire of CT Showgrounds for event on 21 April 2019	\$52.00	\$1656
12-06-19	Gold City Campdraft Assn Inc	Assistance with cost of hire of generator for Campdraft 14-16 June 2019	\$107.00	\$1549
14-06-19	Charters Towers PCYC SES Cadet Unit	Assistance with cost of trip to Hughenden on 18 May 2019	\$267.85	\$1281.15

Councillor MJ Power:

Date	Organisation	Purpose	Donation Amount	Balance
	Allocation 2018-19			\$2000
24-09-18	Blackheath & Thornburgh College P&F Assn	Hire of Blackthorn Hall for Flying Fox Forum 05-09-2018	\$142.00	\$1858
20-02-19	44 th Van Nationals & Street Machine 2019 Show – C/- R Thomson	Donation for hire of CT Showgrounds for event on 21 April 2019	\$52.00	\$1806
12-06-19	Gold City Campdraft Assn Inc	Assistance with cost of hire of generator for Campdraft 14-16 June 2019	\$107.00	\$1699

Councillor MJ Bailey:

Date	Organisation	Purpose	Donation Amount	Balance
	Allocation 2018-19			\$2000
24-09-18	Blackheath & Thornburgh College P&F Assn	Hire of Blackthorn Hall for Flying Fox Forum 05-09-2018	\$142.00	\$1858
20-02-19	44 th Van Nationals & Street Machine 2019 Show – C/- R Thomson	Donation for hire of CT Showgrounds for event on 21 April 2019	\$52.00	\$1806
12-06-19	Gold City Campdraft Assn Inc	Assistance with cost of hire of generator for Campdraft 14-16 June 2019	\$107.00	\$1699

Councillor AP Barr:

Date	Organisation	Purpose	Donation Amount	Balance
	Allocation 2018-19			\$2000
24-09-18	Blackheath & Thornburgh College P&F Assn	Hire of Blackthorn Hall for Flying Fox Forum 05-09-2018	\$142.00	\$1858
20-02-19	44 th Van Nationals & Street Machine 2019 Show – C/- R Thomson	Donation for hire of CT Showgrounds for event on 21 April 2019	\$52.00	\$1806
12-06-19	Gold City Campdraft Assn Inc	Assistance with cost of hire of generator for Campdraft 14-16 June 2019	\$107.00	\$1699

Councillor BP Robertson:

Date	Organisation	Purpose	Donation Amount	Balance
	Allocation 2018-19			\$2000
24-09-18	Blackheath & Thornburgh College P&F Assn	Hire of Blackthorn Hall for Flying Fox Forum 05-09-2018	\$142.00	\$1858
20-02-19	44 th Van Nationals & Street Machine 2019 Show – C/- R Thomson	Donation for hire of CT Showgrounds for event on 21 April 2019	\$52.00	\$1806
12-06-19	Gold City Campdraft Assn Inc	Assistance with cost of hire of generator for Campdraft 14-16 June 2019	\$107.00	\$1699

Attendance at Statutory Meetings

Council held a total of 19 Meetings during 2018/19 financial year.

	General Meetings	Special Meetings/ Post Election Meeting	Statutory Budget Meeting	Total Meetings Attended
Mayor ER Schmidt	11	2	-	13
Deputy Mayor S Bennetto	11	2	-	13
Cr MJ Power	11	2	-	13
Cr GJ Lohmann	12	2	-	14
Cr AP Barr	11	2	-	13
Cr MJ Bailey	12	2	-	14
Cr BP Robertson	12	1	-	13

Note: No budget meeting held between 1.07.2018 to 30.06.2019 (held 26 June 2018 & 26 July 2019)

Councillor Remuneration and Expenses

Councillor	Total Remuneration	Superannuation	Total Expenses
Mayor ER Schmidt	\$113,744.24	-	\$18,401.48
Deputy Mayor S Bennetto	59,849.13	-	2,708.93
Cr MJ Bailey	51,898.55	6,227.83	375.00
Cr AP Barr	51,898.55	-	375.00
Cr GJ Lohmann	51,898.55	-	1083.77
Cr MJ Power	51,898.55	-	535.00
Cr BP Robertson	52,174.98	-	276.43
	\$433,362.55	\$6,227.83	\$23,755.61

Remuneration of Senior Management

Employee	Remuneration
Three senior contract employees with a total remuneration package in the range of:	\$150,000-250,000
One senior contract employee with a total remuneration package in the range of:	\$250,000-350,000
Total of all remuneration packages payable:	\$991,797.57

Registers Open for Inspection

The List of Registers as required by the *Local Government Regulation 2012*, s190, maintained by Council and open for inspection, is as set out hereunder:

SECTION OF ACT	NAME OF REGISTER	HELD BY
Local Government Regulation 2012, S290(2)	Register of Interests of the CEO	Mayor
Local Government Regulation 2012, S290(1)	Councillors' Registers of Interests	Office of the CEO
S138 & S202 LGA 2009	Local Government Workers & Authorised Persons	Office of the CEO
S260 of LGA 2009 S305 of the Local Government Regulation 2012	Register of Delegations by Chief Executive Officer to employees	Office of the CEO
S181 A(1) LGA 2009	Register of written complaints received by the Office of the CEO, outcome of each complaint including any disciplinary action taken in relation to the complaint.	Office of the CEO
S98 of LGA 2009	Register of Planning & Community Services Fees	Corporate & Customer Services
S74 of LGA 2009 S57 of the Local Government Regulation 2012	Map and Register of Roads	Infrastructure Services
Local Law No. 2 (Animal Management) 2011	Impounded Animals	Planning & Community Services
S51 of Animal Management (Cats and Dogs) Act 2008	Cat and Dog Register	Planning & Community Services
S172 of Animal Management (Cats and Dogs) Act 2008	Regulated Dog Register	Planning & Community Services
S540 of Environmental Protection Act 1994	Environmentally Relevant Activities—Development Approvals	Planning & Community Services
S540 of Environmental Protection Act 1994	Environmental Authorities	Planning & Community Services
S540 of Environmental Protection Act 1994	Environmental Development Approvals and Registrations	Planning & Community Services
S31 of LGA 2009 S14 of the Local Government Regulation 2012	Register of Local and Subordinate Local Laws	Planning & Community Services
Local Government Regulation 2012 S56	Register of Business Activities to which competitive neutrality applies	Office of the CEO

Tenders and Expressions of Interest

The following tenders, quotes and expressions of interest were advertised during the 2018/19 financial year:

Tender Number	Tender Description	Tender timelines	Days Advertised
T006/19	Reservoir Rechlorination Project	Date Created:11-June-2019 Date Posted:11-June-2019 Open Date:15-June-2019 Close Date:16-July-2019	32
PQS015/19	Prequalified Suppliers - Wet and Dry Hire of Plant & Equipment	Date Created:6-June-2019 Date Posted:11-June-2019 Open Date:4-July-2019 Close Date:13-Aug-2019	41
PSA017/19	Preferred Supplier Arrangement - Mulching of Green Waste	Date Created:7-May-2019 Date Posted:7-May-2019 Open Date:9-May-2019 Close Date:4-June-2019	27
PQS030/19	Prequalified Supplier Arrangement - Mowing / Yard Maintenance Services	Date Created:7-May-2019 Date Posted:7-May-2019 Open Date:9-May-2019 Close Date:4-June-2019	27
PSA001/19	Cleaning of Various Council Facilities	Date Created:10-April-2019 Date Posted:10-April-2019 Open Date:11-April-2019 Close Date:14-May-2019	34
T028/19	Lease of 84 Mosman Street - Henry's Cafe and Restaurant	Date Created:19-March-2019 Date Posted:19-March-2019 Open Date:28-March-2019 Close Date:23-April-2019	27
Q025/19	Booking Service - Ghosts After Dark Film	Date Created:19-March-2019 Date Posted:19-March-2019 Open Date:21-March-2019 Close Date:12-April-2019	23
PSA014/19	Auctioneering Services	Date Created:12-March-2019 Date Posted:13-March-2019 Open Date:14-March-2019 Close Date:9-April-2019	27
PQS016/19	Slashing and Herbicide Spraying Services	Date Created:12-March-2019 Date Posted:13-March-2019 Open Date:14-March-2019 Close Date:9-April-2019	27
PQS002/19	Pre-Qualified Supplier Arrangement for Surveyor Services	Date Created:11-March-2019 Date Posted:13-March-2019 Open Date:14-March-2019 Close Date:9-April-2019	27
T005/19	Raw Water Pipeline Earthing	Date Created:18-February-2019 Date Posted:18-February-2019 Open Date:20-February-2019 Close Date:19-March-2019	28

Tender Number	Tender Description	Tender timelines	Days Advertised
T011/18	Lease of Kennedy Regiment Memorial Pool	Date Created:14-November-2018 Date Posted:14-November-2018 Open Date:15-November-2018 Close Date:11-December-2018	27
T014/18	Supply & Delivery of WTP Standby Generator	Date Created:23-October-2018 Date Posted:24-October-2018 Open Date:25-October-2018 Close Date:22-November-2018	29
T008/18	Raw Water Intake Upgrade Project	Date Created:23-October-2018 Date Posted:24-October-2018 Open Date:25-October-2018 Close Date:20-November-2018	27
T013/18	Raw Water Rising Main Refurbishment	Date Created:19-September-2018 Date Posted:19-September-2018 Open Date:27-September-2018 Close Date:30-October-2018	34
PSA007/18	Provision of Building Certification Services	Date Created:12-September-2018 Date Posted:12-September-2018 Open Date:20-September-2018 Close Date:16-October-2018	27
PSA002/18	Removal of Manure from Dalrymple Saleyards	Date Created:12-September-2018 Date Posted:12-September-2018 Open Date:20-September-2018 Close Date:16-October-2018	27
T009/18	Installation of Fibre Optic Cabling, Wi-Fi & CCTV endpoints	Date Created:23-August-2018 Date Posted:23-August-2018 Open Date:23-August-2018 Close Date:25-September-2018	33
PSA005/18	Tourism Operations at the Venus Gold Battery Tourism Facility	Date Created:11-July-2018 Date Posted:11-July-2018 Open Date:13-July-2018 Close Date:14-August-2018	33

Invitations to Change Tenders and Expressions of Interest

The following invitations to change Tenders and Expressions of Interest were made during the 2018/19 financial year under section 228(7) of the *Local Government Regulation 2012*.

Tender Number	Tender Description	Changes to Tenders
PSA001/19	Cleaning of Various Council Facilities Date Created:10-April-2019 Date Posted:10-April-2019 Open Date:11-April-2019 Close Date:14-May-2019	30-April-2019 <ul style="list-style-type: none"> Correction of typing error regarding the frequency of cleaning at the Dalrymple Saleyards. 02-May-2019 <ul style="list-style-type: none"> Additional documentation relating to yearly carpet cleaning at both City Hall & Visitor Information Centre.
PQS015/19	Prequalified Suppliers - Wet and Dry Hire of Plant & Equipment Date Created:6-June-2019 Date Posted:11-June-2019 Open Date:4-July-2019 Close Date:13-Aug-2019	05-August-2019 <ul style="list-style-type: none"> Extension of closing date from 6-August to 13-August-2019
T008/18	Raw Water Intake Upgrade Project Date Created:23-October-2018 Date Posted:24-October-2018 Open Date:25-October-2018 Close Date:20-November-2018	01-November-2018 <ul style="list-style-type: none"> Notification of tender briefing date, time and location. 01-November-2018 <ul style="list-style-type: none"> Correction of an error in the design intent for the operation of the gates and valves. 01-November-2018 <ul style="list-style-type: none"> Additional information regarding Council's portable hydraulic unit. Datasheet attached.
T013/18	Raw Water Rising Main Refurbishment Date Created:19-September-2018 Date Posted:19-September-2018 Open Date:27-September-2018 Close Date:30-October-2018	17-October-2018 <ul style="list-style-type: none"> Additional information to assist tenderer's in work program development for pricing was attached. 17-October-2018 <ul style="list-style-type: none"> Additional information attached clarifying which pipelines have valves on them.



CHARTERS TOWERS
REGIONAL COUNCIL

FINANCIAL STATEMENTS

For the year ended

30 June 2019



CHARTERS TOWERS REGIONAL COUNCIL
FINANCIAL STATEMENTS
For the year ended 30 June 2019

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CHARTERS TOWERS REGIONAL COUNCIL
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2019

	Note	2019	2018
INCOME			
Recurrent Revenue			
Rates, Levies and Charges	3 (a)	22,682,019	21,851,268
Fees and Charges	3 (b)	2,738,523	2,266,172
Interest	3 (c)	1,046,826	1,071,506
Sales - Contract and Recoverable Works	3 (d)	14,932,747	10,328,319
Other Income		131,275	142,804
Grants, Subsidies, Contributions and Donations	4 (a)	13,273,628	7,299,872
Total Recurrent Revenue		54,805,018	42,959,941
Capital Revenue			
Gain on Sale of Non-Current Assets	5 (a)	186,283	909
Grants, Subsidies, Contributions and Donations	4 (b)	5,859,038	8,095,119
Total Capital Revenue		6,045,321	8,096,028
TOTAL INCOME		60,850,339	51,055,969
EXPENSE			
Recurrent Expenses			
Employee Benefits	6	(19,061,471)	(20,002,392)
Materials, Services, Maintenance and Other	7	(23,319,880)	(17,559,036)
Depreciation	8 & 16(a)	(7,581,482)	(7,629,938)
Finance Costs	9	(225,843)	(78,845)
Total Recurrent Expenses		(50,188,676)	(45,270,211)
Capital Expenses			
Loss on Sale of Non-Current Assets	5 (b)	(148,864)	-
Non-Current Assets Write-Offs	5 (c)	(3,074,043)	(2,015,527)
Non-Current Asset Revaluation Decrement		(4,769,183)	-
Total Capital Expenses		(7,992,090)	(2,015,527)
TOTAL EXPENSES		(58,180,766)	(47,285,738)
NET RESULT		2,669,573	3,770,231
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to net result			
Increase/(Decrease) in Asset Revaluation Surplus	20	(5,805,156)	(6,836,054)
Total Other Comprehensive Income for the Year		(5,805,156)	(6,836,054)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(3,135,583)	(3,065,823)

The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.



CHARTERS TOWERS REGIONAL COUNCIL
STATEMENT OF FINANCIAL POSITION
As at 30 June 2019

	Note	2019	2018
CURRENT ASSETS			
Cash and Cash Equivalents	10	35,928,179	38,092,014
Investments	11	1,000,000	1,000,000
Receivables	13 (a)	10,122,232	5,500,461
Inventories	14	600,804	634,670
TOTAL CURRENT ASSETS		47,651,215	45,227,145
NON-CURRENT ASSETS			
Property, Plant and Equipment	16 (a)	482,478,574	485,971,441
Receivables	13 (b)	19,612	31,733
TOTAL NON-CURRENT ASSETS		482,498,186	486,003,174
TOTAL ASSETS		530,149,401	531,230,319
CURRENT LIABILITIES			
Payables	17	7,542,743	5,532,170
Borrowings	18 (a)	140,901	137,236
Provisions	19 (a)	1,862,704	1,820,785
TOTAL CURRENT LIABILITIES		9,546,348	7,490,191
NON-CURRENT LIABILITIES			
Borrowings	18 (b)	1,092,846	1,232,348
Provisions	19 (b)	875,671	737,660
TOTAL NON-CURRENT LIABILITIES		1,968,517	1,970,008
TOTAL LIABILITIES		11,514,865	9,460,199
NET COMMUNITY ASSETS		518,634,536	521,770,120
COMMUNITY EQUITY			
Retained Surplus		36,918,779	39,082,614
Council Capital		327,190,949	322,357,542
Asset Revaluation Surplus	20	154,524,808	160,329,964
TOTAL COMMUNITY EQUITY		518,634,536	521,770,120

The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.



CHARTERS TOWERS REGIONAL COUNCIL
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2019

Description of Movements	Retained Surplus (Deficiency)	Council Capital	Asset Revaluation Surplus	TOTAL
Notes:			20	
Balance as at 1 July 2018	39,082,614	322,357,542	160,329,964	521,770,120
COMPREHENSIVE INCOME				
Net Result	2,669,573			2,669,573
Increase/(Decrease) in Asset Revaluation Surplus			(5,805,156)	(5,805,156)
TOTAL Comprehensive Income for the Year				(3,135,583)
Transfers to/from Council Capital	(4,833,408)	4,833,408		
Balance as at 30 June 2019	36,918,779	327,190,949	154,524,808	518,634,536

Description of Movements	Retained Surplus (Deficiency)	Council Capital	Asset Revaluation Surplus	TOTAL
Notes:			20	
Balance as at 1 July 2017	37,538,969	320,130,956	167,166,018	524,835,943
COMPREHENSIVE INCOME				
Net Result	3,770,231			3,770,231
Increase/(Decrease) in Asset Revaluation Surplus			(6,836,054)	(6,836,054)
TOTAL Comprehensive Income for the Year				(3,065,823)
Transfers to/from Council Capital	(2,226,586)	2,226,586	-	-
Balance as at 30 June 2018	39,082,614	322,357,542	160,329,964	521,770,120

The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.



CHARTERS TOWERS REGIONAL COUNCIL
STATEMENT OF CASH FLOWS
For the year ended 30 June 2019

	Note	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts From Customers		36,412,101	36,950,689
Payments to Suppliers and Employees		(40,413,386)	(39,533,105)
		(4,001,285)	(2,582,416)
Interest Received		1,045,489	1,069,559
Non Capital Grants and Contributions		13,273,628	7,299,872
Borrowing Costs	18 (c)	(36,537)	(40,255)
Net Cash Inflow (Outflow) From Operating Activities	25	10,281,295	5,746,760
CASH FLOW FROM INVESTING ACTIVITIES			
Payments For Property, Plant and Equipment		(18,740,880)	(12,283,565)
Receivables-Community Loans		13,458	13,901
Proceeds From Sale of Property, Plant and Equipment	5	559,091	180,909
Capital Grants, Subsidies, Contributions and Donations		5,859,038	8,016,419
Net Cash Inflow (Outflow) From Investing Activities		(12,309,293)	(4,072,336)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of Loan Borrowings	18 (c)	(135,837)	(131,211)
Net Cash Inflow (Outflow) From Financing Activities		(135,838)	(131,211)
NET INCREASE (DECREASE) IN CASH HELD		(2,163,835)	1,543,213
Cash and Cash Equivalents at Beginning of the Financial Year	10	38,092,014	36,548,801
CASH and CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	10	35,928,179	38,092,014

The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019

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CHARTERS TOWERS REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

1. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation

The Charters Towers Regional Council is constituted under the Queensland *Local Government Act 2009* and is domiciled in Australia.

These general purpose financial statements are for the period 1 July 2018 to 30 June 2019 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*.

They comply with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB). Council is a not-for-profit entity and the Australian Accounting Standards include requirements for not-for-profit entities which are inconsistent with International Financial Reporting Standards (IFRS). Therefore in some instances these financial statements do not comply with IFRS. The main impacts are the offsetting of revaluation gains and losses within a class of assets and the timing of recognition of non-reciprocal grant revenue.

These financial statements have been prepared under the historical cost convention except where stated.

b. New and Revised Accounting Standards

This year Charters Towers Regional Council has applied AASB 9 *Financial Instruments* for the first time. AASB 9 replaces AASB 139 and relates to the recognition, classification and measurement of financial assets and financial liabilities. Implementing AASB 9 has resulted in a change to the way Council calculates impairment provisions, which are now based on expected credit losses instead of incurred credit losses.

Council has not restated comparative figures. This means the new impairment rules are reflected in the receivables balance at 30 June 2019, but not 30 June 2018.

On 1 July 2018, Council re-assessed the classification, measurement category and carrying amount of each financial instrument (listed below) in accordance with AASB 9. There were some changes to classification, but this did not result in changes to measurement categories (listed below). Carrying amounts were also unchanged.

Financial asset/liability	Measurement category (unchanged)
Cash and cash equivalents	Amortised cost
Receivables	Amortised cost
Other financial assets	Amortised cost
Borrowings	Amortised cost

Some Australian Accounting Standards and Interpretations have been issued but are not yet effective. Those standards have not been applied in these financial statements. Council will implement them when they are effective. The standards that are expected to have a material impact upon council's future financial statements are:

AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-for-Profit Entities and AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for Profit Entities

Council will apply the standards from 1 July 2019.

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15, and AASB 2016-8. These Standards supersede the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 *Contributions*.



CHARTERS TOWERS REGIONAL COUNCIL NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

SIGNIFICANT ACCOUNTING POLICIES Cont'd

b. New and Revised Accounting Standards cont'd

Identifiable impacts at the date of this report are:

Some grants received by Council will be recognised as a liability, and subsequently recognised progressively as revenue as Council satisfies its performance obligations under the grant. At present, such grants are recognised as revenue upfront.

Grants that are not enforceable and/or not sufficiently specific will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled. Council receives several grants from the Federal Government and State Government for which there are no sufficiently specific performance obligations, these are expected to continue being recognised as revenue upfront assuming no change to the current grant arrangements.

Depending on the respective contractual terms, the new requirements of AASB 15 may potentially result in a change to the timing of revenue from sales of the Council's goods and services such that some revenue may need to be deferred to a later reporting period to the extent that the Council has received payment but has not met its associated performance obligations (such amounts would be reported as a liability in the meantime).

Prepaid rates will not be recognised as revenue until the relevant rating period starts. Until that time these receipts will be recognised as a liability (unearned revenue). There will be no impact upon the recognition of other fees and charges.

Based on Council's assessment, if Council had adopted the new standards in the current financial year, it would have had the following impacts:

- Revenue would decrease due to deferral of grant funding, pre-paid rates, and other sales related revenue (based on the facts available to Council at the date of assessment).
- There would be an equal reduction in the reported equity as the reduced revenue will require an increase in recognition of contract liabilities, and statutory receivables.
- Net result would be lower on initial application as a result of decreased revenue.

A range of new disclosures will also be required by the new standards in respect of the Council's revenue.

Transition method

The Council intends to apply the practical expedients available for the full retrospective method. Where revenue has been recognised in full under AASB 1004, prior to 1 July 2019, but where AASB 1058 would have required income to be recognised beyond that date, no adjustment is required. Further, Council is not required to restate income for completed contracts that start and complete within a financial year. This means where income under AASB 1004 was recognised in the comparative financial year (ie. 2018/2019), these also do not require restatement.

AASB 16 Leases

Date Council will apply the standard - 1 July 2019.

Council has undertaken a review in relation to AASB 16 and as Council does not currently hold any leases, it is anticipated that there will be no impact on its financial statements from 1 July 2019.



**CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019**

SIGNIFICANT ACCOUNTING POLICIES Cont'd

c. Estimates and Judgements

Where necessary, judgements, estimates and assumptions have been used in preparing these financial statements.

Those that have a potential significant effect or risk of causing an adjustment to council's assets or liabilities are outlined in the following financial statement notes:

Valuation and depreciation of property, plant and equipment – Note 16

Provisions – Note 19

Contingent liabilities – Note 23

Financial instruments – Note 27

d. Rounding and Comparatives

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest \$1.

e. Taxation

The income of local government and public authorities is exempt from Income tax. However council is subject to Fringe Benefits Tax, Goods and Services Tax ('GST') and payroll tax on certain activities. When applicable, the net amount of GST recoverable from the ATO or payable to the ATO is shown as an asset or liability respectively.



CHARTERS TOWERS REGIONAL COUNCIL NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

2. ANALYSIS OF RESULTS BY FUNCTION

(a) The activities of the Council reported in Note 2(b) are as follows:

CORPORATE & CUSTOMER SERVICES

Corporate and Customer Services objective is to supply Council and the public with high quality administrative, financial and support services, such as records management, procurement and information technology. People and culture functions also falls within this activity. People and culture's function is to facilitate positive organisational culture, ensure council has and retains people that match the vision, mission and values of council and secure the health and safety of the workforce.

Customer Service Operations – Customer Service, General Administration, Website, Rating and Administration Facilities

Records - Records Management

Finance - Financial Service, Grants Commission, Business and Procedures, Investments, Asset Management, Procurement and Insurance

Information Technology - Computer and Technology Infrastructure Support

People and Culture - Employees Relations, Organisational Learning and Development, Cultural Development, Health and Safety and Workforce Planning

GOVERNANCE (Office of the CEO)

The objective of the functions; Councillors, Office of the CEO and Governance, is to provide for the good rule and government of its constituents.

Councillors - Community Consultation, Official Functions and Delegations, Media Relations and Elections

Office of the CEO - Corporate and Business Planning, Organisation Performance and Corporate Branding and Image

Governance - Enterprise Risk Management, Disaster Management Coordination, Agenda and Minutes, Administrative Review, Internal Audit and State Emergency Service Coordination

PLANNING & COMMUNITY SERVICES

Objectives of Planning and Community Services include promoting economic and environmental viability and sustainability of the region and facilitating community development through promoting social and cultural growth whilst enabling the community to actively engage in recreational activities.

Environmental Services

Health- Environmental Health, Environment Protection, Business Licences and Permits

Waste Management – Refuse Collection, Refuse Disposal and Recycling Program

Planning and Development

Town Planning – Land Use Planning, Heritage Management & Planning Act

Building

Building and Plumbing Service – Building Compliance

Rural Services

Saleyards – Selling Centre and Stock Routes & Reserves

Land Management – Pest Management and Vector and Vermin Control

Local Laws – Regulation

Animal Management – Animal Related Customer Requests

Economic Development

Economic Development – Investment Attraction

Climate Smart Business Initiative – Energy Efficiency



CHARTERS TOWERS REGIONAL COUNCIL NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

2. ANALYSIS OF RESULTS BY FUNCTION Cont'd

PLANNING & COMMUNITY SERVICES Cont'd

Community Development

Library – Library Services

Tourism – Tourism Promotion, Visitor Information Centre and Tourism Facilities/Attractions

Youth Services – Youth Related Activities

Sport and Recreation – Sport and Recreation Funded Activities

Galleries – Galleries and Exhibitions and World Theatre Gallery

Events – Event Management and General Event Activity

Community Development – Community Development Contributions, Senior Services, Regional Arts Development and Arts and Culture

FACILITIES FUNCTION

The objective is to ensure the facilities provided by Council are accessible and equitable.

INFRASTRUCTURE SERVICES

The objectives of Council's Infrastructure Services activities are to ensure the road network stays accessible and safe, ensure the effective and efficient supply of water and sewerage services that satisfy customer requirements of the region, and undertake the servicing of parks, gardens and airport operations.

Roads Infrastructure

Road Construction

Road Contracts – Infrastructure Construction

RPC Contracts – Infrastructure Construction

Survey – Design

Roads to Recovery – Infrastructure Construction

Road Maintenance

Road Maintenance – Infrastructure Maintenance

RMPC Contracts – Infrastructure Maintenance

Flood Damage Repairs – Restorations of Assets

Private Works – Third Party Works

Soils Laboratory

Soil Testing – Mainly in-house to ensure Quality Roadworks

Quality Assurance

Engineering Documentation – Mainly in-house Quality Documentation

Water and Sewerage

Water Supply and Treatment – Supply Quality Drinking Water

Water Reticulation – Distribution of Quality Water

Sewerage Reticulation – Maintain Network for Sewerage

Sewerage Treatment – Collection, Treating and Disposing Waste Water

Waste Water Reuse – Disposal of Wastewater

FLEET SERVICES FUNCTION

The workshops object is to facilitate Council's fleet maintenance programs.



CHARTERS TOWERS REGIONAL COUNCIL **NOTES TO THE FINANCIAL STATEMENTS** **For the year ended 30 June 2019**

2. ANALYSIS OF RESULTS BY FUNCTION Cont'd

(b) Income and expenses defined between recurring and capital are attributed to the following functions:

Year ended 30 June 2019

FUNCTIONS	Gross program income				Elimination of inter-function transactions 2019	Total income 2019	Gross program expenses		Elimination of inter-function transactions 2019	Total expenses 2019	Net result from recurring operations 2019	Net result attributable to council within the reporting period 2019	Assets 2019
	Recurring 2019		Capital 2019				Recurring 2019	Capital 2019					
	Grants	Other	Grants	Other									
Corporate & Governance Services	6,633,057	13,062,826	435,610	-	-	20,131,493	3,850,294	2,253	-	3,852,547	15,845,589	16,278,946	47,619,770
Planning & Community Services	133,775	1,848,365	-	-	-	1,982,140	4,689,637	350,526	-	5,040,163	(2,707,497)	(3,058,023)	31,446
Roads Infrastructure	5,791,908	14,556,765	3,373,717	-	-	23,722,390	23,812,000	2,663,347	-	26,475,347	(3,463,327)	(2,752,957)	325,706,689
Fleet	-	7,988	-	186,283	-	194,271	(240,976)	155,154	-	(85,822)	248,964	280,093	8,986,394
Water	353,928	6,734,677	570,069	(9,355)	-	7,649,319	6,245,441	47,531	-	6,292,972	843,164	1,356,347	62,895,572
Sewerage	-	3,574,741	-	2,800	-	3,577,541	2,739,835	3,583	-	2,743,418	834,906	834,123	20,665,975
Facilities	50,675	2,056,313	1,486,197	-	-	3,593,185	9,092,445	4,769,696	-	13,862,141	(6,985,457)	(10,268,956)	64,243,555
Total Council	12,963,343	41,841,675	5,865,593	179,728	-	60,850,339	50,188,676	7,992,090	-	58,180,766	4,616,342	2,669,573	530,149,401

Year ended 30 June 2018

FUNCTIONS	Gross program income				Elimination of inter-function transactions 2018	Total income 2018	Gross program expenses		Elimination of inter-function transactions 2018	Total expenses 2018	Net result from recurring operations 2018	Net result attributable to council within the reporting period 2018	Assets 2018
	Recurring 2018		Capital 2018				Recurring 2018	Capital 2018					
	Grants	Other	Grants	Other									
Corporate & Governance Services	6,150,867	12,403,501	322,294	79,610	-	18,956,272	3,554,026	-	-	3,554,026	15,000,342	15,402,246	66,323,006
Planning & Community Services	120,816	2,905,735	75,000	-	-	3,101,551	7,529,331	-	-	7,529,331	(4,502,780)	(4,427,780)	11,799,819
Roads Infrastructure	278,320	10,410,772	3,748,520	-	-	14,437,612	18,368,317	1,588,686	-	19,957,003	(7,679,225)	(5,519,391)	302,354,832
Fleet	123,248	614	-	-	-	123,862	102,679	3,000	-	105,679	21,183	18,183	10,048,201
Water	286,500	6,314,263	2,655,282	305	-	9,256,350	6,312,715	114,710	-	6,427,425	288,048	2,828,925	48,199,711
Sewerage	-	3,414,042	173,248	394	-	3,587,685	2,996,704	5,799	-	3,002,503	417,338	585,181	17,526,067
Facilities	30,150	521,113	878,625	162,750	-	1,592,638	6,406,439	303,332	-	6,709,771	(5,855,176)	(5,117,133)	74,978,683
Total Council	6,989,901	35,970,040	7,852,969	243,059	-	51,055,969	45,270,211	2,015,527	-	47,285,738	(2,310,270)	3,770,231	531,230,319



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019

3. REVENUE ANALYSIS

Rates, levies, grants and other revenue are recognised as revenue on receipt of funds or earlier upon unconditional entitlement to the funds.

(a) Rates, Levies and Charges

Where rate monies are received prior to the commencement of the rating/levying period, the amount is recognised as revenue in the period in which they are received, otherwise rates are recognised at the commencement of the rating period.

	2019	2018
General Rates	12,419,877	12,110,923
Cleansing / Refuse	1,284,282	1,234,965
Water Services	6,291,342	5,936,777
Water – Excess Allocation	502,569	431,156
Sewerage	3,652,999	3,499,526
Total Rates, Levies and Charges Revenue	24,151,069	23,213,347
Less: Discounts	(1,176,431)	(1,078,032)
Pensioner Remissions	(292,619)	(284,047)
Net Rates, Levies and Charges	22,682,019	21,851,268

(b) Fees and Charges

Fees and charges are recognised upon unconditional entitlement to the funds. Generally this is upon lodgement of the relevant applications or documents, issuing of the infringement notice or when the service is provided.

Animal Control Fees and Charges	129,469	111,853
Cemetery Fees and Charges	70,526	86,332
Landfill Fees and Charges	275,762	165,166
Reserve Rental	42,714	30,848
Saleyards Fees and Charges	1,527,662	1,214,876
Search Fees	39,686	37,409
Water Services	37,542	39,672
World Theatre Fees and Charges	318,084	294,122
Other Regulatory Fees and Charges	107,249	112,105
Other Rental/Hire Fee and Charges	91,974	111,152
Other Fees and Charges	97,855	62,637
Total Fees and Charges	2,738,523	2,266,172



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019

3. REVENUE ANALYSIS Cont'd

(c) Interest

Interest received from term deposits is accrued over the term of the investment.

	2019	2018
Interest received on Investments	904,965	882,639
Interest received on Community Loans	1,337	1,947
Interest received on Overdue Rates and Charges	140,524	186,920
Total Interest Income	1,046,826	1,071,506

(d) Sales – Contract and Recoverable Works

Contracts and recoverable works income is recognised upon unconditional entitlement to the funds. Contract revenue and associated costs are recognised by reference to the stage of completion of the contract activity at the reporting date. Revenue is measured at the fair value of consideration received or receivable in relation to that activity. Where consideration is received for the service in advance it is included in other liabilities and is recognised in the period when the service is performed.

The amount recognised as revenue for contract sales during the period is the value of works undertaken in respect of invoices issued during the period. The contract work carried out is not subject to retentions.

Private Works	371,188	69,979
Main Roads Contract	14,365,333	10,113,892
Other	196,226	144,448
Total Sales Income	14,932,747	10,328,319



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019

4. GRANTS, SUBSIDIES AND CONTRIBUTIONS

Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue in the year in which Council obtains control over them. Unspent non-reciprocal capital grants are recognised as restricted cash and disclosed in Note 10.

Physical assets contributed to Council by developers in the form of road works, stormwater, water and wastewater infrastructure and park equipment are recognised as revenue when the development becomes "on maintenance" (i.e. the Council obtains control of the assets and becomes liable for any ongoing maintenance) and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. All non-cash contributions are recognised at the fair value of the contribution received on the date of acquisition.

Non-cash contributions with a value in excess of the recognition thresholds are recognised as revenue and as non-current assets. Non-cash contributions below the thresholds are recorded as revenue and expenses.

Where grants are received that are reciprocal in nature, revenue is recognised as the various performance obligations under the funding agreement are fulfilled. Council does not currently have any reciprocal grants.

(a) Recurrent

	2019	2018
General Purpose Grants	6,390,057	5,905,226
Government Grants and Subsidies	6,692,942	1,084,675
Contributions	190,629	309,971
Total Recurrent Grants, Subsidies and Contributions	13,273,628	7,299,872

(b) Capital

Capital Revenue includes grants and subsidies received which are tied to specific projects for the replacement or upgrade of existing non-current and/or investment in new assets. It also includes non-cash contributions which are usually infrastructure assets received from developers.

Government Grants and Subsidies	5,854,582	7,852,969
Contributions	4,456	242,150
Total Capital Grants, Subsidies and Contributions	5,859,038	8,095,119



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019

5. CAPITAL INCOME AND EXPENDITURE

(a) Gain on Sale of Non-Current Assets

	2019	2018
Proceeds from Sale of Assets	299,318	180,909
Less: Written Down Value of Sold Assets	(113,035)	(180,000)
TOTAL GAIN ON SALE	186,283	909

(b) Loss on Sale of Non-Current Assets

Proceeds from Sale of Assets	259,773	-
Less: Written Down Value of Sold Assets	(408,637)	-
TOTAL LOSS ON SALE	(148,864)	-

(c) Non-Current Assets Write-Offs

Gross Value of Write-offs	(4,242,760)	(3,297,182)
Add: Accumulated Depreciation of Write-offs	1,168,717	1,281,655
TOTAL NON-CURRENT ASSETS WRITE-OFFS	(3,074,043)	(2,015,527)

6. EMPLOYEE BENEFITS

Total Staff Salaries and Wages	15,925,234	16,492,976
Councillors' Remuneration	423,082	397,055
Annual, Sick and Long Service Leave Entitlements	1,358,997	1,592,666
Superannuation	1,721,602	1,818,298
Total Direct Employee Costs	19,428,915	20,300,995
Other Employee Costs	600,816	593,861
	20,029,731	20,894,856
Less: Capitalised Employee Expenses	(968,260)	(892,464)
TOTAL EMPLOYEE BENEFITS	19,061,471	20,002,392

Councillor remuneration represents salary, and other allowances paid in respect of carrying out their duties.

Employee Numbers	- Full-time Equivalents	197	209
as at 30 June	- Casual	19	24
	- Councillors (incl. Mayor)	7	7



**CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019**

7. MATERIALS, SERVICES, MAINTENANCE AND OTHER

	2019	2018
Advertising and Marketing	110,189	99,322
Administration Supplies and Consumables	128,990	129,642
Audit of Annual Financial Statements by the Auditor-General of Queensland	62,149	61,501
Audit Fees – Internal	238,935	115,779
Communications and IT	1,227,917	821,331
Consultants	492,860	333,479
Contractors	371,697	373,899
Donations Paid	358,085	356,847
Repairs and Maintenance and Other Materials	4,570,956	4,317,969
Flood Events Materials & Services	1,253,939	150,275
RPC Materials & Services	8,989,314	5,066,794
Sewerage Repairs and Maintenance	1,510,502	1,715,148
Subscriptions and Registrations	174,615	137,915
Water Repairs and Maintenance	3,829,732	3,879,135
TOTAL MATERIALS, SERVICES, MAINTENANCE AND OTHER	23,319,880	17,559,036



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019

8. DEPRECIATION

	2019	2018
Buildings and Structures	1,711,325	1,480,959
Plant	1,004,633	1,249,308
Equipment	308,068	312,885
Road Infrastructure	2,816,652	2,762,855
Water Infrastructure	1,140,270	1,187,469
Sewerage Infrastructure	600,534	609,282
Landfill Rehabilitation	-	27,180
TOTAL DEPRECIATION	7,581,482	7,629,938

9. FINANCE COSTS

Finance Costs Charged by Queensland Treasury Corporation	36,537	40,255
Bank Charges	38,577	38,590
Landfill Restoration	150,729	-
TOTAL FINANCE COSTS	225,843	78,845

10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, all cash and cheques receipted but not banked at the year end, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Cash at Bank	380,887	358,050
Deposits at Call	35,537,892	37,724,564
	35,918,779	38,082,614
Working Capital Floats	9,400	9,400
TOTAL CASH AND CASH EQUIVALENTS	35,928,179	38,092,014

Cash at bank is held with the Commonwealth Bank in a normal business account with a short term credit rating of A1+ and a long term rating of AA-. Deposits at call are held with Queensland Treasury Corporation Cash Fund.



**CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019**

10. CASH AND CASH EQUIVALENTS Cont'd

Council's cash and cash equivalents are subject to a number of internal restrictions that limit amounts available for discretionary or future use. These include:

*Internally imposed expenditure restrictions at the reporting date:

	2019	2018
Infrastructure	21,490,421	22,325,093
Plant	2,549,623	3,437,623
Long Service Leave	1,500,000	1,500,000
Special Projects	7,887,075	5,351,204
Information Technology	873,234	1,111,659
TOTAL UNSPENT RESTRICTED CASH	34,300,353	33,725,579

Grants and contributions recognised as revenue during the reporting period that are subject to externally imposed restrictions were:

Grants for expenditure on infrastructure:		
Local Government Grants and Subsidies Programme	-	131,804
Roads to Recovery	-	175,984
Works For Queensland Programme	1,485,000	774,258
	1,485,000	1,082,046



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019

11. INVESTMENTS

Term deposits in excess of three months are reported as investments, with deposits at call and term deposits with a short maturity of three months or less are treated as cash equivalents. At 30 June 2019, Council held an investment with a term greater than three months.

	2019	2018
Term Deposits	1,000,000	1,000,000
TOTAL INVESTMENTS	1,000,000	1,000,000

A single Term Deposit is held with Queensland Country Credit Union, which is an unrated Credit Union.

12. TRUST FUNDS HELD FOR OUTSIDE PARTIES

In accordance with the *Local Government Act 2009* and *Local Government Regulation 2012*, a separate trust bank account and separate accounting records are maintained for funds held on behalf of outside parties. Funds held in the trust account include security deposits lodged for venue hire, fees for subdivision works yet to be performed and cash contributions for future works. The Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements.

Monies Held in Trust are as Follows:		
Sundries	6,782	13,543
Animal Trap Deposits	245	175
Relocation of Buildings	30,207	13,909
Subdivision – Roadworks	105,871	144,928
Subdivision – Water Connections	34,893	44,856
Subdivision – Sewerage Connections	15,000	15,000
Facility Hire Security Deposits	5,728	6,205
Cemetery/Monument Works	356	356
TOTAL TRUST FUNDS HELD	199,082	238,972



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019

13. RECEIVABLES

Receivables are recognised at the amounts due at the time of sale or service delivery, i.e. the agreed purchase price/contract price. Settlement of these amounts is required within 30 days from invoice date.

All known bad debts are written-off by 30 June. Subsequent recoveries of amounts previously written off in the same period are recognised as finance costs in the Statement of Comprehensive Income. If an amount is recovered in a subsequent period it is recognised as revenue.

Because Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts, Council does not impair any rate receivables.

Loans and advances are recognised in the same way as other receivables. Terms are usually a maximum of five years with interest charged at commercial rates. Security is not normally obtained.

(a) Current

	2019	2018
Rateable Revenue and Utility Charges	1,388,883	1,227,415
Prepayments	291,847	436,441
Other Debtors	8,441,502	3,836,605
TOTAL CURRENT	10,122,232	5,500,461

(b) Non-Current

Loans to Community Organisations:		
Towers Players	884	5,596
Pentland Race Club	5,173	6,735
CT Rugby Club	13,555	19,402
TOTAL NON-CURRENT	19,612	31,733

Interest is charged on outstanding rates at a rate of 11% per annum. No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges and fees.

Loans relate to advances made to various sporting bodies and community groups. These loans arise from time to time and are subject to negotiated interest rates. The credit risk on these loans is considered low.



**CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019**

14. INVENTORIES

Inventories are reported at the lower of cost and net realisable value. Costs are assigned to the inventory on the basis of weighted average cost.

Inventories held for distribution are:

- Goods to be supplied at no, or nominal charge, and
- Goods to be used for the provision of services at no, or nominal, charge.

These goods are valued at cost, adjusted, when applicable, for any loss of service potential.

	2019	2018
Inventories Held for Sale		
World Theatre Candy Bar	11,242	8,516
Visitor Information Gift Shop	20,203	37,785
Inventories Held for Distribution		
Works Depot Stores	569,359	588,369
TOTAL INVENTORIES	600,804	634,670

15. OTHER FINANCIAL ASSETS

Other financial assets are recognised at cost. No other financial assets were recognised in the current year.



CHARTERS TOWERS REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

16(a). PROPERTY, PLANT AND EQUIPMENT - 30 JUNE 2019

CATEGORIES	Note	Opening Gross Value As at 1 July 2018	Recognised Assets Gross Value	Additions At Cost	WIP Take-Ons Gross	WIP Transfers To Expense	Sales Gross Value	Write-offs Gross Value	Revaluation Adjustments to Income	Revaluation Adjustments to Asset Revaluation Surplus	Closing Gross Value As at 30 June 2019	Opening Balance As at 1 July 2018 Accumulated Depreciation	Sales Accumulated Depreciation	Write-Offs Accumulated Depreciation	Revaluation Adjustments Accum.Dep. to Income	Revaluation Adjustments Accum.Dep. to Revaluation Surplus	Annual Depreciation	Accumulated Depreciation As at 30 June 2019	Written Down Value As at 30 June 2019	Residual Value
LAND	16(f)(i)	13,003,500	-	323,927	-	-	-	-	-	(3,985,427)	9,342,000	-	-	-	-	-	-	-	9,342,000	-
BUILDINGS & STRUCTURES	16(f)(ii)	99,872,311	-	220,746	181,465	-	-	-	(1,621,522)	(11,940,978)	86,712,023	(11,182,767)	-	-	(3,147,661)	(23,354,057)	(1,711,325)	(39,395,811)	47,316,212	-
PLANT	16(f)(iii)	21,647,616	-	510,013	-	-	(1,674,867)	(11,591)	-	-	20,471,171	(11,686,707)	1,153,196	5,300	-	-	(1,004,633)	(11,532,844)	8,938,327	4,116,114
EQUIPMENT	16(f)(iv)	4,317,673	-	259,729	36,205	-	-	(430,900)	-	-	4,182,707	(2,895,269)	-	428,134	-	-	(308,068)	(2,775,203)	1,407,504	-
ROAD INFRASTRUCTURE	16(f)(v)	377,800,146	-	3,922,230	1,478,987	-	-	(3,289,560)	-	16,042,567	395,954,370	(75,678,103)	-	626,213	-	5,267,706	(2,816,652)	(72,600,836)	323,353,534	-
WATER INFRASTRUCTURE	16(f)(vi)	84,562,215	-	427,010	1,043,109	-	-	(127,842)	-	19,694,654	105,599,146	(40,818,393)	-	80,311	-	(11,588,015)	(1,140,270)	(53,466,367)	52,132,779	-
SEWERAGE INFRASTRUCTURE	16(f)(vi)	39,630,381	-	9,619	144,624	-	-	(5,161)	-	333,859	40,113,322	(22,622,538)	-	1,579	-	3,754,534	(600,534)	(19,466,959)	20,646,363	-
LANDFILL REHABILITATION		407,706	-	-	-	-	-	(377,706)	-	(30,000)	-	(27,180)	-	27,180	-	-	-	-	-	-
Sub-Total		641,241,548	-	5,673,274	2,884,390	-	(1,674,867)	(4,242,760)	(1,621,522)	20,114,675	662,374,739	(164,910,957)	1,153,196	1,168,717	(3,147,661)	(25,919,832)	(7,581,482)	(199,238,020)	463,136,719	4,116,114
Rounding																				
Work in Progress		9,640,850		13,067,606	(2,884,390)	(482,211)					19,341,855	-	-	-	-	-	-	-	19,341,855	-
TOTAL Property, Plant & Equipment		650,882,398	-	18,740,880	-	(482,211)	(1,674,867)	(4,242,760)	(1,621,522)	20,114,675	681,716,594	(164,910,957)	1,153,196	1,168,717	(3,147,661)	(25,919,832)	(7,581,482)	(199,238,020)	482,478,574	4,116,114

ADDITIONS COMPRISE	RENEWALS	OTHER ADDITIONS	TOTAL
LAND	-	323,927	323,927
BUILDINGS AND STRUCTURES	724,089	342,486	1,066,575
PLANT	516,851	-	516,851
EQUIPMENT	130,607	3,009,315	3,139,922
ROAD INFRASTRUCTURE	4,718,469	15,619	4,734,088
WATER INFRASTRUCTURE	5,310,307	3,639,591	8,949,898
SEWERAGE INFRASTRUCTURE	9,619	-	9,619
TOTAL	11,409,942	7,330,938	18,740,880



CHARTERS TOWERS REGIONAL COUNCIL **NOTES TO THE FINANCIAL STATEMENTS** **For the year ended 30 June 2019**

16(a). PROPERTY, PLANT AND EQUIPMENT - 30 JUNE 2018

CATEGORIES	Note	Opening Gross Value As at 1 July 2017	Recogni- sed Assets Gross Value	Transfer between Classes	Additions At Cost	WIP Take-Ons Gross	WIP Transfers To Expense	Sales Gross Value	Write-offs Gross Value	Revaluation Adjustments to Asset Revaluation Surplus	Closing Gross Value As at 30 June 2018	Opening Balance As at 1 July 2017 Accumulated Depreciation	Transfers Between Asset Classes	Sales Accumulated Depreciation	Write-Offs Accumulated Depreciation	Revaluation Adjustments Accum.Dep. to Revaluation Surplus	Annual Depreciation	Accumulated Depreciation As at 30 June 2018	Written Down Value As at 30 June 2018	Residual Value
LAND BUILDINGS & STRUCTURES	16(f)(i) 16(f)(ii)	13,183,500 96,603,079	- 78,700	- -	- 1,245,421	- 269,382	- -	(180,000) -	- (491,394)	- 2,167,124	13,003,500 99,872,311	- (11,291,305)	- -	- 188,062	- 1,401,435	- (1,480,959)	- (11,182,767)	- 88,689,544	13,003,500 88,689,544	- -
PLANT	16(f)(iii)	21,613,772	-	-	162,994	-	-	-	(129,150)	-	21,647,616	(10,563,549)	-	-	126,150	-	(1,249,308)	(11,686,707)	9,960,909	4,252,270
EQUIPMENT	16(f)(iv)	4,269,567	-	-	56,307	13,162	-	-	(21,363)	-	4,317,673	(2,603,747)	-	-	21,363	-	(312,885)	(2,895,269)	1,422,404	-
CITY ROADS & DRAINAGE	16(f)(v)	121,238,780	-	-	2,114,877	1,825,775	-	-	(1,570,042)	606,720	124,216,110	(14,923,748)	-	-	273,884	(1,275,210)	(964,635)	(16,889,709)	107,326,401	-
RURAL ROADS	16(f)(v)	255,331,498	-	-	939,842	383,553	-	-	(801,212)	(2,269,645)	253,584,036	(49,413,779)	-	-	508,684	(8,085,079)	(1,798,220)	(58,788,394)	194,795,642	-
WATER INFRASTRUCTURE SEWERAGE INFRASTRUCTURE LANDFILL REHABILITATION	16(f)(vi) 16(f)(vi)	81,973,618 38,676,738 600,000	- - -	- - -	714,685 227,883 -	61,963 55,730 -	- - -	- - -	(276,344) (7,677) -	2,088,293 677,707 (192,294)	84,562,215 39,630,381 407,706	(38,034,276) (21,596,016) (30,000)	- - -	- 1,878 -	161,634 (419,118) -	(1,758,282) (609,282) 30,000	(1,187,469) (22,622,538) (27,180)	(40,818,393) (22,622,538) (27,180)	43,743,822 17,007,843 380,526	- - -
Sub-Total		633,490,551	78,700	-	5,462,009	2,609,565	-	(180,000)	(3,297,182)	3,077,905	641,241,548	(148,456,421)	-	-	1,281,655	(10,106,254)	(7,629,938)	(164,910,957)	476,330,591	4,252,270
Rounding																				
Work in Progress		6,324,101			6,821,556	(2,609,565)	(895,241)	-	-	-	9,640,850	-	-	-	-	-	-	-	9,640,850	-
TOTAL Property, Plant & Equipment		639,814,652	78,700	-	12,283,565	-	(895,241)	(180,000)	(3,297,182)	3,077,905	650,882,398	(148,456,421)	-	-	1,281,655	(10,106,254)	(7,629,938)	(164,910,957)	485,971,441	4,252,270



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019

16. PROPERTY, PLANT AND EQUIPMENT Cont'd

(b) Recognition

Items of property, plant and equipment with a value less than the thresholds listed below, that are not included as network assets, are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

	Threshold
Land	Nil
Buildings & Structures	\$10,000
Plant	\$5,000
Equipment	\$5,000
Road Infrastructure	\$7,500
Water Infrastructure	\$7,500
Sewerage Infrastructure	\$7,500

Expenditure incurred for the acquisition or construction of assets are treated as capital expenditure, as is expenditure that relates to replacement of a major component of an asset to maintain its service potential. Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity of the non-current asset is expensed as incurred.

Expenditure incurred in accordance with Natural Disaster Relief and Recovery Arrangements on road assets is analysed to determine whether the expenditure is capital in nature. The analysis of the expenditure requires Council engineers to review the nature and extent of expenditure on a given asset. For example, expenditure that patches a road is generally maintenance in nature, whereas a kerb to kerb rebuild is treated as capital. Material expenditure that extends the useful life or renews the service potential of the asset is capitalised.

Land Under Roads

The Charters Towers Regional Council does not control any land under roads. All land under the road network within the Council area that has been dedicated and opened for public use under the Land Act 1994 or the Land Title Act 1994 is not controlled by Council but is controlled by the State pursuant to the relevant legislation. Therefore this land is not recognised in these financial statements

(c) Measurement

Acquisitions of assets are initially recorded at cost. Subsequently, each class of asset is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss.

Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including freight in, architect's fees and engineering design fees and all other establishment costs.

Non-monetary assets, including property, plant and equipment, received in the form of grants or contributions, are recognised as assets and revenues at fair value by Council valuation, where that value exceeds the recognition thresholds for the respective asset classes.

(d) Depreciation

Land is not depreciated as it has an unlimited useful life. Depreciation on other property, plant and equipment assets is calculated on a straight-line basis so as to write-off the net cost or revalued amount of each depreciable asset, less its estimated residual value, progressively over its estimated useful life to Council. Management believe that the straight-line basis appropriately reflects the pattern of consumption of Council assets.



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019

16. PROPERTY, PLANT AND EQUIPMENT Cont'd

(d) Depreciation cont'd

Assets are depreciated from the date of acquisition, or, if internally constructed, from the date the asset is completed and commissioned ready for use. Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate. Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the Council.

Depreciation methods, estimated useful lives and residual values of property, plant and equipment, if applicable to the asset class, are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. The condition assessments performed as part of the annual valuation process for assets measured at written down current replacement cost are used to estimate the remaining useful lives of these assets at each reporting date.

Major spares purchased specifically for particular assets that are above the asset recognition threshold are capitalised and depreciated on the same basis as the asset to which they relate.

Details of the range of useful lives, for each class of asset, are as follows:

	Years
Land	N/A
Buildings & Structures	10 to 120
Plant	3 to 50
Equipment	3 to 50
Road Infrastructure	15 to 500
Water Infrastructure	5 to 152
Sewerage Infrastructure	10 to 160

(e) Impairment

All non-current physical assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, Council determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

(f) Valuation

Land, buildings and structures, roads infrastructure, water and sewerage infrastructure are measured on the revaluation basis, at fair value, in accordance with AASB 116 *Property, Plant and Equipment* and AASB 13 *Fair Value Measurement*. This revaluation may involve the application of a suitable index to the cost elements of each asset, or may involve an independent assessment of the value.



CHARTERS TOWERS REGIONAL COUNCIL NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

16. PROPERTY, PLANT AND EQUIPMENT Cont'd

(f) Valuation cont'd

Non-current physical assets measured at fair value are revalued where required so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by comprehensively revaluing these assets at least once every five years. In the intervening years interim valuations are performed to reflect any material variation using an applicable index. Where comprehensive revaluations are undertaken, an independent valuer physically sights a representative sample of Council assets and making their own assessment of the conditions of the assets at the date of inspection. All other non-current assets, primarily plant, equipment and work in progress, are measured at cost.

Any revaluation increment arising on the revaluation of an asset is credited to the appropriate class of the asset revaluation surplus, except to the extent that it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense to the extent it exceeds the balance, if any, in the revaluation surplus of that asset class.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

Separately identified components of assets are measured on the same basis as the asset to which they relate.

i. Land

Land assets have been included at fair value as at 30 June 2019 as determined independently by AssetVal by way of a comprehensive valuation.

Land valuations have been based on sales of land in the locality and standard valuation principles have been adopted whereby the direct comparison method for each individual parcel has been utilised. Where necessary adjustments are made for differences in key attributes such as property size, zoning, location, topography and exposure characteristics.

ii. Buildings & Structures

Council buildings and structures are recognised at fair value. Building and structures have been included at their written down current replacement value at 30 June 2019 as determined independently by AssetVal, by way of a comprehensive valuation. This involved determining a replacement cost for the asset and making an assessment on the condition, age and remaining life of the asset.

For the Council owned residential properties, of which there are two, the direct comparison market approach (level 2), has been taken. In this instance, the properties held by Council have been compared to recent market sales transactions and adjustments based on land size, shape topography and building size, condition, construction materials, with an apportionment between land and building values.

iii. Plant Fleet

Plant Fleet is measured at original cost less accumulated depreciation.

iv. Equipment

Equipment is measured at original cost less accumulated depreciation.

v. Road Infrastructure

Council road infrastructure assets are recognised at fair value and have been included at their written down current replacement value at 30 June 2019 as determined independently by APV Valuers and Asset Management, by way of a comprehensive valuation. The written down valuation of each asset is determined by assessing the replacement value of each of the components, adjusted to reflect the assessed condition.



CHARTERS TOWERS REGIONAL COUNCIL NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

16. PROPERTY, PLANT AND EQUIPMENT Cont'd

(f) Valuation cont'd

vi. Water & Sewerage Infrastructure

Water infrastructure assets and sewerage infrastructure assets are recognised at fair value and have been recorded at their written down current replacement value at 30 June 2019, as determined independently by AssetVal by way of a comprehensive valuation.

(g) Fair Value Measurement

i. Recognised fair value measurements

This section explains the judgements and estimates made in determining fair values used in the financial statements.

Council measures and recognises the following assets at fair value on a recurring basis:

Property, plant and equipment

- Land
- Buildings and Structures
- Roads Infrastructure
- Water Infrastructure
- Sewerage Infrastructure

There are no assets valued where it is assumed that the highest and best use was other than its current use.

In accordance with AASB 13 *Fair value measurements* are categorised on the following basis:

- Fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Fair value based on inputs that are directly or indirectly observable for the asset or liability (level 2)
- Fair value based on unobservable inputs for the asset and liability (level 3)

The following table categorises fair value measurements as either level 2 or level 3 in accordance with AASB 13. Council does not have any assets or liabilities measured at fair value which meet the criteria for categorisation as level 1.

The fair values of the assets are determined using valuation techniques which maximise the use of observable data, where it is available, and minimise the use of entity specific estimates. If all significant inputs required to fair value an asset are observable, the asset is included in level 2. If one or more of the significant inputs is not based on observable market data, the asset is included in level 3. This is the case for Council infrastructure assets, which are of a specialist nature for which there is no active market for similar or identical assets. These assets are valued using a combination of observable and unobservable inputs. The table presents the Council's assets measured and recognised at fair value at 30 June 2019.



**CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019**

16. PROPERTY, PLANT AND EQUIPMENT Cont'd

(g) Fair Value Measurement cont'd

i. Recognised fair value measurements cont'd

At 30 June 2019

	Level 2 (Significant other observable inputs)		Level 3 (Significant unobservable inputs)		TOTAL	
Recurring fair value measurements	2019	2018	2019	2018	Total 2019	Total 2018
Land	5,302,000	13,003,500	4,040,000	-	9,342,000	13,003,500
Land Rehabilitation			-	380,526	-	380,526
Buildings and Structures	363,573		46,952,639	88,689,544	47,316,212	88,689,544
Road Infrastructure			323,353,534	302,122,043	323,353,534	302,122,043
Water Infrastructure			52,132,779	43,743,822	52,132,779	43,743,822
Sewerage Infrastructure			20,646,363	17,007,843	20,646,363	17,007,843
TOTAL	5,665,573	13,003,500	447,125,315	451,943,778	452,790,888	464,947,278

ii. Valuation techniques used to derive fair values for level 2 and level 3 valuations

Specific valuation techniques used to value Council assets comprise:

Land (level 2 and 3)

Independent valuers AssetVal have utilised level 2 and 3 inputs to determine the fair value measurement of land assets.

Where an active market can be established and there are no unreasonable restrictions as to use and/or sale of land, level 2 valuation inputs have been used.

Level 3 inputs are used to measure fair value where land is assessed as being subject to restrictions for use and/or sale and has no active market. The unobservable input applied to the asset is the rate per square metre.

Buildings and Structures (level 3)

All buildings and structures assets have been valued by external independent valuers, AssetVal.

Due to the predominantly specialised nature of Local Government Assets, infrastructure, building and other asset valuations are undertaken on a Cost Approach (Current Replacement Cost), an accepted valuation methodology under AASB 13. The cost approach is deemed a Level 3 Input. Under this approach, the following process has been adopted:



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019

16. PROPERTY, PLANT AND EQUIPMENT Cont'd

(g) Fair Value Measurement cont'd

ii. Valuation techniques used to derive fair values for level 2 and level 3 valuations cont'd

- Where there is no market, the net current value of an asset is the gross current value less accumulated depreciation to reflect the consumed or expired service potential of the asset. Published/available market data for recent projects, and/or published cost guides are utilised to determine the estimated replacement cost (gross value) of the asset, including allowances for preliminaries and professional fees.
- A condition assessment is applied which is based on factors such as the age of the asset, overall condition as noted by the Valuer during inspection, economic and/or functional obsolescence. The condition assessment directly translates to the level of depreciation applied.
- In determining the level of accumulated depreciation for major assets, the Valuer has disaggregated into significant components which exhibit different patterns of consumption (useful lives).
- While the replacement cost of the assets could be supported by market supplied evidence (level 2), the other unobservable inputs (such as estimates of useful life, and asset condition) were also required (level 3).

The consumption rating inputs can be defined in the following table, noting that the condition assessments for Council have been applied in 0.5 intervals:

	Description	Percentage of Remaining Life
0	Brand new or rehabilitated to new	100%
1	Near new with no visible deterioration	90%
2	Excellent overall condition early stages of deterioration	80%
3	Very good overall condition with obvious deterioration evident	70%
4	Good overall condition, obvious deterioration, serviceability impaired very slightly	60%
5	Fair overall condition, obvious deterioration, serviceability loss	50%
6	Fair to poor overall condition, obvious deterioration, some serviceability loss	40%
7	Poor overall condition, obvious deterioration, some serviceability loss, high maintenance cost	30%
8	Very poor overall condition, severe deterioration, very high maintenance costs. Consider renewal	20%
9	Extremely poor condition, severe serviceability problems, renewal required immediately	10%
10	Failed asset, no longer serviceable. Should not remain in service	0%

Road Infrastructure (Level 3)

Road infrastructure assets were valued by external independent valuers, APV Valuers and Asset Management, using level 3 valuation inputs using the cost approach. The approach estimated the current replacement cost (CRC) for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors.

CRC was measured by reference to the lowest cost at which the gross future economic benefits of the asset could currently be obtained in the normal course of business. Where existing assets were over designed, had excess capacity, or were redundant and adjustment was made so that the resulting valuation reflected the cost of replacing the existing economic benefits based on an efficient set of modern equivalent assets to achieve the required level of service output within the council's planning horizon.



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019

16. PROPERTY, PLANT AND EQUIPMENT Cont'd

(g) Fair Value Measurement cont'd

ii. Valuation techniques used to derive fair values for level 2 and level 3 valuations cont'd

While the unit rates based on square metres or similar capacity could be supported from market evidence (level 2) other inputs (such as estimates of useful life, asset condition and pattern of consumption including the split between short-life and long-life parts of each component) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level 3 valuation inputs.

During the year there were a number of new projects completed where the actual cost was recorded and the impact of depreciation at year end was negligible. While these could be classified as valued at level 2, given the low proportion of the total portfolio that these represented and the likelihood that in future valuation they would most likely be valued at level 3, a policy that all road, water and sewer infrastructure assets are deemed to be valued at level 3.

The consumption rating scale is assessed in line with the condition score in the following table:

Condition Score	Assessment
0.00 to 0.99	New or very good condition – very high level of remaining service potential.
1.00 to 1.99	Not new but in very good condition with no indicators of any future obsolescence and providing a high level of remaining service potential.
2.00 to 2.99	Aged and in good condition, providing an adequate level of remaining service potential. No signs of immediate or short term obsolescence.
3.00 to 3.99	Providing an adequate level of remaining service potential but there are some concerns over the asset's ability to continue to provide an adequate level of service in the short to medium term. May be signs of obsolescence in short to mid-term.
4.00 to 4.99	Indicators showing the need to renew, upgrade or scrap in near future. Should be reflected by inclusion in the Capital Works Plan to renew or replace in short-term. Very low level of remaining service potential.
5.00	At intervention point. No longer providing an acceptable level of service. If remedial action is not taken immediately the asset will need to be closed or decommissioned.

The sensitivity of the valuation to these inputs is impacted in the following ways:

Input	Application	Impact
Unit Rate	Applied to all assets.	A small increase in unit rate applied to common assets (eg. formation) will have a far greater impact on fair values than the same increase to less common assets (eg. road furniture).
Relationship between asset consumption rating scale and level of consumed service potential	Used in calculating accumulated depreciation	Accumulated depreciation may be misstated if an incorrect consumption rating scale is applied or if the level of consumed service potential is misstated.



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019

16. PROPERTY, PLANT AND EQUIPMENT Cont'd

(g) Fair Value Measurement cont'd

ii. Valuation techniques used to derive fair values for level 2 and level 3 valuations cont'd

Water and Sewerage Infrastructure (level 3)

Water and sewerage infrastructure assets were valued by external independent valuers, AssetVal. The valuations have been undertaken on a cost approach, which is deemed a level 3 input. The approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account factors such as asset condition.

The accumulated depreciation of the assets has been calculated by applying the assessed condition of the assets as a remaining useful life. Asset condition for above ground active assets was obtained through inspections whilst condition assessment for below ground and minor active assets were estimated using the current age of the asset, documented repairs or capital works and surrounding environmental factors.

iii. Valuation processes

Council's valuation policies and procedures are set by Council as part of the annual budget process.

This is done after appropriate consultation with the Director of Corporate and Customer Services, members of the Audit and Risk Committee and relevant finance staff. Non-recurring fair value measurements are made at the point of reclassification by a registered valuer.

17. PAYABLES

Payables are recognised as a liability at the time of the goods being received, or the service being performed. The amount recognised for each creditor is based on the agreed purchase or contract costs. Amounts owing are unsecured and are generally settled within 30 working days.

A liability is recognised for employee benefits such as wages and salaries, annual leave and long service leave in respect of services provided by the employee up to the reporting date. The liability is calculated using the present value of wage and salary levels that will be paid when the liability is expected to be settled and includes related employment on-costs.

As Council does not have an unconditional right to defer this liability beyond 12 months annual leave is classified as a current liability.

	2019	2018
Sundry Creditors, including Contract Retentions	5,141,710	3,195,359
Employee Benefits – Annual Leave	2,348,821	2,281,023
Employee Benefits – RDO & TOIL	52,212	55,788
TOTAL PAYABLES	7,542,743	5,532,170

The State government made an advance payment of \$577,275 to Council in June 2019 to mitigate the impacts on households for 2019-20 of the State Waste Levy, which takes effect from 1 July 2019. Council will be liable to the State for payment of the Levy on most forms of commercial and household waste delivered to its disposal sites from 1 July 2019. The State is required to make an annual payment to the Council that essentially refunds the Council for the portion of the Levy that relates to households. Council will fund the portion of the Levy that relates to commercial waste through charges to commercial users of disposal sites from 1 July 2019. As the receipt from the State in June is for a refund of Council's 2019-20 Levy expense, the full amount has been recognised as a liability at 30 June 2019.



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019

18. BORROWINGS

Borrowings are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

Borrowing costs, which includes interest calculated using the effective interest method and administration fees, are expensed in the period in which they are incurred. Costs that are not settled in the period in which they are incurred, are added to the carrying amount of the borrowing.

Borrowing costs are treated as an expense, as assets constructed by the Council are generally completed within one year and therefore are not considered to be qualifying assets. Gains and losses on the early redemption of borrowings are recorded in other revenue/expense.

In accordance with the *Local Government Regulation 2012* Council adopt an annual debt policy that sets out Council's planned borrowings for the next nine years. Council aims to comply with the Queensland Treasury Corporation's borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

(a) Current

	2019	2018
Loans – Queensland Treasury Corporation	140,901	137,236
TOTAL CURRENT	140,901	137,236

(b) Non-Current

Loans – Queensland Treasury Corporation	1,092,846	1,232,348
TOTAL NON-CURRENT	1,092,846	1,232,348

(c) Loan Summary – Queensland Treasury Corporation

Opening Balance at Beginning of Financial Year	1,369,584	1,500,795
Loans Raised	-	-
Repayments	(172,374)	(171,466)
Interest	36,537	40,255
BOOK VALUE AT PERIOD END	1,233,747	1,369,584

The loan market value at 30 June 2019 was \$1,288,720. This represents the value of the debt if the Council repaid it at that date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts. Council's loan borrowings are entirely represented by loans from Queensland Treasury Corporation (QTC). Borrowings are all in Australian dollar denomination amounts. Expected final repayment date is 15 June 2027.



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019

19. PROVISIONS

Long-Service Leave

A liability for long service leave is measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The value of the liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in the Council's employment, or other associated employment, which would result in the Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The interest rates applicable, as at the reporting date, to Commonwealth Government guaranteed securities are used to discount the estimated future cash outflows to their present value.

Where employees have met the prerequisite length of service and council does not have an unconditional right to defer this liability beyond 12 months long service leave is classified as a current liability. Otherwise it is classified as non-current.

Landfill Rehabilitation

A provision is made for the cost of restoring Council's landfill site where it is probable council will be liable to do this when the use of the site is complete.

The provision represents the present value of the anticipated future costs associated with the closure and rehabilitation of the landfill site. The calculation of this provision requires assumptions such as environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred.

As the landfill site is on a State Reserve which Council does not control, changes in the provision are treated as an expense or income.

(a) Current

	2019	2018
Long Service Leave	1,862,704	1,820,785
TOTAL CURRENT	1,862,704	1,820,785

(b) Non-Current

Long Service Leave	317,236	329,954
Landfill Rehabilitation	558,435	407,706
TOTAL NON-CURRENT	875,671	737,660

(c) Long-Service Leave Summary

Balance at Beginning of Financial Year	2,150,739	2,054,490
Long Service Leave Entitlement Arising	297,882	487,283
Long Service Leave Entitlement Paid	(268,681)	(391,034)
BALANCE AT THE END OF THE PERIOD	2,179,940	2,150,739



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019

19. PROVISIONS Cont'd

(d) Landfill Rehabilitation Summary

Balance at Beginning of Financial Year	407,706	600,000
Increase/(decrease) in provision	150,729	(192,294)
BALANCE AT THE END OF THE PERIOD	558,435	407,706

This is the present value of the estimated cost of restoring the landfill site to a useable state at the end of its useful life. The projected cost is \$815,297 and this cost is expected to be incurred in 2030.

20. ASSET REVALUATION SURPLUS

The Asset Revaluation Surplus comprises adjustments relating to changes in value of property, plant and equipment that do not result from the use of those assets. Net incremental changes in the carrying value of classes of non-current assets since their initial recognition are accumulated in the Asset Revaluation Surplus.

Increases and decreases on revaluation are offset within a class of assets. Where a class of assets is decreased on revaluation, the decrease is offset against the amount remaining in the asset revaluation surplus in respect of that class. Any excess is treated as an expense.

When an asset is disposed of, the amount reported in surplus in respect of that asset is retained in the asset revaluation surplus and not transferred to retained surplus.

	2019	2018
Movements in the Asset Revaluation Surplus were as follows:		
Balance at beginning of financial year	160,329,964	167,166,018
Net adjustment to non-current assets at end of period to reflect a change in current fair value:		
Water Infrastructure	8,106,639	330,011
Sewerage Infrastructure	4,088,394	258,589
Road Infrastructure	21,310,273	(11,023,213)
Buildings & Structures	(35,295,035)	3,568,559
Land	(3,985,427)	-
Landfill Rehabilitation	(30,000)	30,000
Sub Total of Annual Movement	(5,805,156)	(6,836,054)
BALANCE AT THE END OF THE FINANCIAL YEAR	154,524,808	160,329,964

Asset Revaluation Surplus Analysis		
The closing balance of the Asset Revaluation Surplus comprises the following asset categories:		
Water Infrastructure	23,849,695	15,743,056
Sewerage Infrastructure	9,764,845	5,676,451
Road Infrastructure	119,800,358	98,490,085
Buildings & Structures	-	35,295,035
Land	1,109,910	5,095,337
Landfill Rehabilitation	-	30,000
TOTAL ASSET REVALUATION SURPLUS	154,524,808	160,329,964



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019

21. RESERVES

Council's cash and cash equivalents are subject to a number of internal restrictions that limit the amount that is available for discretionary or future use. In prior years Council accounted for these restrictions by way of Reserves.

The internal restrictions that are now placed on Council's cash and cash equivalents are disclosed in Note 10.

22. COMMITMENTS FOR EXPENDITURE

Capital and operating commitments at the end of the financial year but not recognised in the financial statements are as follows:

	2019	2018
Capital		
Information Technology	280,226	348,545
Plant	0	504,028
Building Infrastructure	61,571	441,121
Roads Infrastructure	202,292	441,037
Water Infrastructure	5,352,750	13,914,577
Operating		
Landfill Services Contract	262,815	250,909
Roads Infrastructure Works	5,828,570	3,903,637
Saleyard Services Contract	252,646	181,818
Planning Scheme	53,068	97,984
TOTAL	12,293,938	20,083,656

23. CONTINGENT LIABILITIES

Details and estimates of maximum amounts of contingent liabilities are as follows:

Local Government Workcare

Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover any bad debts which may remain should the self-insurance licence be cancelled or insufficient funds be available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is \$530,848 (2018: \$484,932).

Local Government Mutual

Council is a member of the Local Government Mutual Liability Self Insurance Pool, LGM Queensland. In the event of the pool being wound up or it is unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated deficit will be met by the individual pool members in the same proportion as their contribution is to the total pool contributions in respect to any year that a deficit arises.

As at 30 June 2019, the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.



CHARTERS TOWERS REGIONAL COUNCIL NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

24. SUPERANNUATION – REGIONAL DEFINED BENEFIT FUND

The Charters Towers Regional Council contributes to the LGIASuper Regional Defined Benefits Fund (the scheme), at the rate of 12% for each permanent employee who is a defined benefit member. This rate is set in accordance with the LGIASuper trust deed and may be varied on the advice of an actuary. The Regional Defined Benefits Fund is a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation and is also governed by the Local Government Act 2009.

The scheme is a defined benefit plan, however Council is not able to account for it as a defined benefit plan in accordance with AASB119 because LGIASuper is unable to account for its proportionate share of the defined benefit obligation, plan assets and costs.

Any amount by which the scheme is over or under funded may affect future benefits and result in change to the contribution rate, but has not been recognised as an asset or liability of Charters Towers Regional Council.

Technically Charters Towers Regional Council can be liable to the scheme for a portion of another local governments' obligations should that local government be unable to meet them. However the risk of this occurring is extremely low and in accordance with the LGIASuper trust deed changes to council's obligations will only be made on the advice of an actuary.

The last completed actuarial assessment of the scheme was undertaken as at 1 July 2018. The actuary indicated that "At the valuation date of 1 July 2018, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." The Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

No changes have been made to prescribed employer contributions which remain at 12% of employee assets and there are no known requirements to change the rate of contributions.

The next triennial actuarial review is no due until 1 July 2021.

The most significant risks that may result in LGIASuper increasing the contribution rate, on the advice of the actuary, are:

Investment risk – The risk that the scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall.

Salary growth risk – The risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded.

There are currently 62 entities contributing to the scheme and any changes in contribution rates would apply equally to all 62 entities. Charters Towers Regional Council made less than 4% of the total contributions to the plan in the 2018-19 financial year.

	Note	2019	2018
Superannuation contributions made to the Regional Defined Benefits Fund		107,544	124,206
Other superannuation contributions for employees		1,614,058	1,694,092
Total superannuation contributions paid by Council for employees:	6	1,721,602	1,818,298

The contributions council expects to make to the Regional Defined Benefit Fund for 2019-20 is \$109,078.



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019

25. RECONCILIATIONS

(a) Reconciliation of Net Result for the Year to the Net Cash Inflow (Outflow) From Operating Activities

	2019	2018
Net Result	2,669,573	3,770,231
Non-cash Operating Items:		
Depreciation	7,581,482	7,629,938
Write-offs of Property, Plant and Equipment	7,843,226	2,015,527
Opening WIP Moved to Expense	482,211	895,241
Community Loan Interest Charged	(1,337)	(1,947)
	15,905,582	10,538,759
Investing and Development Activities:		
Net (Profit) Loss on Disposal of Non Current Assets	(37,419)	(909)
Capital Grants, Subsidies, Contributions & Donations	(5,859,038)	(8,095,119)
	(5,896,457)	(8,096,028)
Changes in Operating Assets and Liabilities:		
(Increase) Decrease in Receivables	(4,621,772)	(441,695)
(Increase) Decrease in Inventories	33,866	(44,408)
Increase (Decrease) in Payables	2,010,573	(76,349)
Increase (Decrease) in Provisions	179,930	96,250
	(2,397,403)	(466,202)
Net Cash Inflow (Outflows) from Operating Activities	10,281,295	5,746,760

(b) Reconciliation of Liabilities Arising From Finance Activities

2019		As at 30 June 2018	Cash flows	Non-cash changes	As at 30 June 2019
Loans	18	1,369,584	(135,837)	-	1,233,747

2018		As at 30 June 2017	Cash flows	Non-cash changes	As at 30 June 2018
Loans	18	1,500,795	(131,211)	-	1,369,584

26. EVENTS AFTER BALANCE DATE

There were no material adjusting or non-adjusting events after the balance date.



CHARTERS TOWERS REGIONAL COUNCIL NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

27. FINANCIAL INSTRUMENTS

Council's activities expose it to the financial risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

Financial Risk Management

Charters Towers Regional Council is responsible for the establishment and oversight of the risk management framework, together with developing and monitoring risk management policies.

Council's Audit and Risk Committee approves policies for overall risk management. These policies focus on identifying and analysing the risks faced, setting appropriate limits and controls and monitoring the risks and adherence to limits.

Council's Audit and Risk Committee oversee how management monitors compliance with Council's risk management policies and procedures and review the adequacy of the risk management framework in relation to the risks faced by Council. Council's Audit and Risk Committee is assisted in its oversight role by internal audit. Internal audit undertakes regular review of risk management controls and procedures, the results of which are reported to the Audit and Risk Committee.

i. Credit Risk

Credit risk exposure refers to the situation where Council may incur financial loss as a result of another party to a financial instrument failing to discharge their obligations.

When Council borrows, it borrows from the Queensland Treasury Corporation, unless another financial institution can offer a more beneficial rate, taking into account any risk. Borrowing by Council is constrained by the provisions of the *Statutory Bodies Financial Arrangement Act 1982*.

The following table represents the maximum exposure to credit risk based on the carrying amounts of financial assets at the end of the reporting period:

	Note	2019	2018
Financial Assets			
Cash and Cash Equivalents	10	35,928,179	38,092,014
Investments	11	1,000,000	1,000,000
Receivables – Rates	13(a)	1,388,883	1,227,415
Loans to Community Organisations	13(b)	19,612	31,733
Other Debtors	13(a)	8,441,502	3,836,605
Other Credit Exposures			
Bank Guarantee	23	530,848	484,932
TOTAL		47,309,024	44,672,699

Cash and Cash Equivalents

The Council may be exposed to credit risk through its investments with the Queensland Treasury Corporation (QTC) and deposits held with banks or other financial institutions. The QTC Cash Fund is an asset management portfolio that invests with a wide range of high credit rated counterparties. Deposits with QTC Cash Fund are capital guaranteed.

Other cash investments are held with highly rated/regulated banks and financial institutions and whilst not capital guaranteed, the likelihood of the counterparty having capacity to meet its financial commitments is strong.



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019

20. FINANCIAL INSTRUMENTS Cont'd

i. Credit Risk Cont'd

Receivables

In the case of rate receivables, Council has the power to sell the property to recover any defaulted amounts. In effect this power protects Council against credit risk in the case of defaults.

In other cases, the Council assesses the credit risk before providing goods or services and applies normal business credit protection procedures to minimise the risk.

By the nature of Council operations, there is geographical concentration of risk in Council's area. Because the area is largely agricultural, there is also a concentration in the grazing sector.

The Council does not require collateral in respect of receivables. The Council does not have receivables for which no loss allowance is recognised because of collateral.

At 30 June 2019, the exposure to credit risk for receivables by type of counterparty was as follows:

	2019	2018
Property Charges	1,388,883	1,227,415
Community Organisations	19,612	31,733
Other	8,441,502	3,836,605
TOTAL	9,849,997	5,095,753

A summary of Council's exposure to credit risk for receivables is as follows:

	Not Past Due	Past Due			Impaired	Total
		30-60 Days	61-90 Days	More than 90 Days		
2019 Not credit-impaired	9,349,764	135,780	269,232	95,221	-	9,849,997
2018 Not credit-impaired	4,677,936	328,886	14,416	74,515	-	5,095,753

ii. Liquidity Risk

Liquidity risk refers to the situation where Council may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Council's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Council's reputation.

Council is exposed to liquidity risk through its trading in the normal course of business and through its borrowings with QTC.



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019

27. FINANCIAL INSTRUMENTS Cont'd

ii. Liquidity Risk Cont'd

Council manages its exposure to liquidity risk by maintaining sufficient cash deposits, both short and long term, to cater for unexpected volatility in cash flows.

The following table sets out the liquidity risk of financial liabilities held by Council in a format as it might be provided to management. The amounts disclosed in the maturity analysis represent the contractual undiscounted cash flows (principal and interest) of financial liabilities at the end of the reporting period, excluding the impact of netting agreements:

Contractual Maturity of Financial Liabilities

Financial Liabilities	0 to 1 year	1 to 5 Years	Over 5 Years	Total Contractual Cash Flows	Carrying Amount
	\$	\$	\$	\$	\$
2019					
Payables	5,141,710	-	-	5,141,710	5,141,710
Loans - QTC	172,374	689,496	517,122	1,378,992	1,233,747
	<u>5,314,084</u>	<u>689,496</u>	<u>517,122</u>	<u>6,520,702</u>	<u>6,375,457</u>
2018					
Payables	3,195,359	-	-	3,195,359	3,195,359
Loans – QTC	172,374	689,496	689,496	1,551,366	1,369,584
	<u>3,367,733</u>	<u>689,496</u>	<u>689,496</u>	<u>4,746,725</u>	<u>4,564,943</u>

The outflows in the above table are not expected to occur significantly earlier and are not expected to be for significantly different amounts than indicated in the table.

iii. Market Risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Council's income or the value of its holdings of financial instruments.

Interest Rate Risk

Council is exposed to interest rate risk through investments held with QTC and other financial institutions.

Sensitivity

Sensitivity to interest rate movements is shown for variable financial assets and liabilities based on the carrying amount at reporting date.

The Council does not account for any fixed-rate financial assets or financial liabilities at Fair Value through Profit or Loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

Interest Rate Sensitivity Analysis

The following interest rate sensitivity analysis is based on a report similar to that which would be provided to management as to what effect a reasonably possible change in interest rates (assumed to be 1%) would have on the profit and equity, based on the carrying values at the end of the reporting period. The calculations assume that the change in interest rates would be held constant over the period.



**CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019**

27. FINANCIAL INSTRUMENTS Cont'd

iii. Market Risk Cont'd

Interest Rate Sensitivity Analysis

		Profit		Equity	
	Carrying Value	1%	1%	1%	1%
	2019	Increase	Decrease	Increase	Decrease
Financial Assets	36,928,179	369,282	(369,282)	369,282	(369,282)
Net	<u>36,928,179</u>	<u>369,282</u>	<u>(369,282)</u>	<u>369,282</u>	<u>(369,282)</u>
	2018				
Financial Assets	39,092,014	390,920	(390,920)	390,920	(390,920)
Net	<u>39,092,014</u>	<u>390,920</u>	<u>(390,920)</u>	<u>390,920</u>	<u>(390,920)</u>

In relation to the QTC loan held by Council, the following has been applied:

QTC Fixed Rate Loan – financial instruments with fixed interest rates which are carried at amortised cost are not subject to interest rate sensitivity.



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019

28. TRANSACTIONS WITH RELATED PARTIES

This year council's statutory policy on Related Party Disclosure was revised, resulting in the definition of key management personnel being refined and therefore a reduction in the value of transactions disclosed.

(a) Transactions with Key Management Personnel (KMP)

KMP include the Mayor, Councillors, council's Chief Executive Officer and Senior Executive Officers. The compensation paid to KMP comprises:

	2019	2018
Short-term Employee Benefits	1,239,446	2,228,639
Post-employment Benefits	98,107	211,103
Long-term Benefits	101,937	140,203
Termination Benefits	58,846	205,213
TOTAL	1,498,336	2,785,158

Detailed remuneration disclosures are provided in the annual report.

(b) Transactions with Other Related Parties

Other related parties include the close family members of KMP and any entities controlled or jointly controlled by KMP or their close family members. Close family members include the KMP's children and spouse or domestic partner; children of the KMP's spouse or domestic partner; or dependants of the KMP's or the KMP's spouse or domestic partner.

Details of Transactions:

	Additional Information		
Fees and charges charged to entities controlled by KMP	28(b)(i)	4,976	7,545
Employee expenses for close family members of KMP	28(b)(ii)	225,647	402,440
Purchase of materials and services from entities controlled by KMP	28(b)(iii)	30,698	108,029
TOTAL		261,321	518,014

i. The fees and charges charged to entities controlled by KMP were on an arm's length basis in accordance with the schedule of fees and charges adopted by Council. The total disclosed includes the following:

Fees and charges charged to entities controlled by KMP	Details of related party	\$
Venue Hire	Venue hire fees incurred by Power Up Dance & Fitness; an entity controlled by a child of councillor Mike Power. The hire occurred in accordance with council's normal terms and conditions	2,420
Other fees & charges	Various other related parties	2,556
	TOTAL	4,976



CHARTERS TOWERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019

28. TRANSACTIONS WITH RELATED PARTIES Cont'd

- ii. All close family members of KMP were employed through an arm's length process. They are paid in accordance with the Award for the job they perform.

The council employs 223 staff of which only 3 are close family members of key management personnel with all 3 being employed before KMP were employed.

- iii. The purchase of material and services from entities that are controlled by members of KMP. All purchases were at arm's length and were in the normal course of council operations:

	2019	2018
Tyres	\$ 30,698	\$ 104,272
Vehicle repairs & towing	-	\$ 3,015
Employee training	-	\$ 742
TOTAL	\$ 30,698	\$ 108,029

Included in the above are tyres purchased from Barr's Batteries & Tyres amounting to \$30,698 during 2018-19. During this time Councillor Alan Barr was the owner of this business. All purchases were at arm's length, on normal terms & conditions and were in the normal course of council's operations.

(c) Outstanding Balances

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	2019	2018
Past due 30-60 days	-	-
Past due 61-90 days	-	-
More than 90 days	-	1,186
TOTAL	-	1,186

(d) Transactions with Related Parties that have not been disclosed

Most of the entities and people that are related parties of council live and operate within the Charters Towers region. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties. Some examples include:

- Payment of rates
- Use of the Kennedy Regiment Memorial Pool
- Animal Registration
- Borrowing books from council library

Council has not included these types of transactions in its disclosure, where they are made on the same terms and conditions available to the general public.



**CHARTERS TOWERS REGIONAL COUNCIL
MANAGEMENT CERTIFICATE
For the year ended 30 June 2019**

These general purpose financial statements have been prepared pursuant to Sections 176 and 177 of the *Local Government Regulation 2012* (the Regulation) and other prescribed requirements.

In accordance with Section 212(5) of the Regulation we certify that:

- i. the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- ii. the general purpose financial statements, as set out on pages 1 to 44, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.

Mayor

Elizabeth Schmidt

Date: 29 November 2019

Chief Executive Officer

Aaron Johansson

Date: 29 November 2019

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Charters Towers Regional Council

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Charters Towers Regional Council (the council).

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2019, and of its financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificate given by the Mayor and Chief Executive Officer.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of my report.

I am independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

Other information comprises the information included in Charters Towers Regional Council's annual report for the year ended 30 June 2019, but does not include the financial report and my auditor's report thereon. At the date of this auditor's report, the other information was the current year financial sustainability statement and the long-term financial sustainability statement.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have expressed a separate opinion on the current year financial sustainability statement.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the council for the financial report

The council is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards, and for such internal control as the council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The council is also responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the council or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.

- Conclude on the appropriateness of the council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2019:

- a) I received all the information and explanations I required.
- b) In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.



Sri Narasimhan
as delegate of the Auditor-General

29 November 2019

Queensland Audit Office
Brisbane



CHARTERS TOWERS REGIONAL COUNCIL

CURRENT YEAR FINANCIAL SUSTAINABILITY STATEMENT

For the year ended 30 June 2019

Current-year Financial Sustainability Statement For the year ended 30 June 2019

Measures of Financial Sustainability	How the measure is calculated	Actual	Target
Council's performance at 30 June 2019 against key financial ratios and targets:			
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	8%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	172%	Greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-66%	Not greater than 60%

Note 1 - Basis of Preparation

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2013*.

The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2019.

Certificate of Accuracy

For the year ended 30 June 2019

This current-year financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the regulation).

In accordance with Section 212(5) of the Regulation we certify that this current-year financial sustainability statement has been accurately calculated.

Mayor
Elizabeth Schmidt

Date: 29 November 2019

Chief Executive Officer
Aaron Johansson

Date: 29 November 2019

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Charters Towers Regional Council

Report on the current year financial sustainability statement

Opinion

I have audited the accompanying current year financial sustainability statement of Charters Towers Regional Council (the council) for the year ended 30 June 2019, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with section 212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement of Charters Towers Regional Council for the year ended 30 June 2019 has been accurately calculated.

Basis of opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the current year financial sustainability statement* section of my report.

I am independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the statement in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter – basis of accounting

I draw attention to Note 1 which describes the basis of accounting. The current year financial sustainability statement has been prepared in accordance with the Financial Management (Sustainability) Guideline 2013 for the purpose of fulfilling the council's reporting responsibilities under the Local Government Regulation 2012. As a result, the statement may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Other Information

Other information comprises the information included in Charters Towers Regional Council's annual report for the year ended 30 June 2019 but does not include the current year financial sustainability statement and my auditor's report thereon. At the date of this auditor's report, the other information was the general purpose financial statements and long-term financial sustainability statement.

My opinion on the current year financial sustainability statement does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have expressed a separate opinion on the general purpose financial report.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the council for the current year financial sustainability statement

The council is responsible for the preparation and fair presentation of the current year financial sustainability statement in accordance with the Local Government Regulation 2012. The council's responsibility also includes such internal control as the council determines is necessary to enable the preparation and fair presentation of the statement that is accurately calculated and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the current year financial sustainability statement

My objectives are to obtain reasonable assurance about whether the current year financial sustainability statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this statement.

My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the council's future sustainability.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.
- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Sri Narasimhan
as delegate of the Auditor-General

29 November 2019

Queensland Audit Office
Brisbane



CHARTERS TOWERS REGIONAL COUNCIL NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

Unaudited Long-Term Financial Sustainability Statement

Prepared as at 30 June 2019

Measures of Financial Sustainability	How the measure is calculated	Target	Actuals at 30 June 2019	Projected for the year ended								
				30-Jun-20	30-Jun-21	30-Jun-22	30-Jun-23	30-Jun-24	30-Jun-25	30-Jun-26	30-Jun-27	30-Jun-28
Council			8%	-10%	-8.8%	-13.7%	-12.8%	-11.8%	-10.9%	-10%	-6.4%	-5.6%
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	Between 0% and 10%										
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	greater than 90%	172%	133%	106%	97%	83%	68%	74%	66%	142%	120%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	not greater than 60%	-66%	-42.0%	-30.5%	-40.1%	-34.6%	-33.0%	-30.4%	-29.3%	-18.6%	-12.2%

Charters Towers Regional Council Financial Management Strategy

Council measures revenue and expenditure trends over time as a guide to future requirements and to make decisions about the efficient allocation of resources to ensure the most effective provision of services. Council ensures that its financial management strategy is prudent and that its long-term financial forecast shows a sound financial position whilst also being able to meet the community's current and future needs.

Certificate of Accuracy

For the long-term financial sustainability statement prepared as at 30 June 2019

This long-term financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the regulation).

In accordance with Section 212(5) of the Regulation we certify that this long-term financial sustainability statement has been accurately calculated.

Mayor
Elizabeth Schmidt

Date: 29 November 2019

Chief Executive Officer
Aaron Johansson

Date: 29 November 2019



CHARTERS TOWERS
REGIONAL COUNCIL

COMMUNITY
FINANCIAL REPORT
For the year ended
30 June 2019



CHARTERS TOWERS REGIONAL COUNCIL
COMMUNITY FINANCIAL REPORT
For the year ended 30 June 2019

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CHARTERS TOWERS REGIONAL COUNCIL COMMUNITY FINANCIAL REPORT For the year ended 30 June 2019

STATEMENT OF COMPREHENSIVE INCOME

The Statement of Comprehensive Income is often referred to as a Revenue & Expenditure Statement and shows how Council has performed throughout the period.

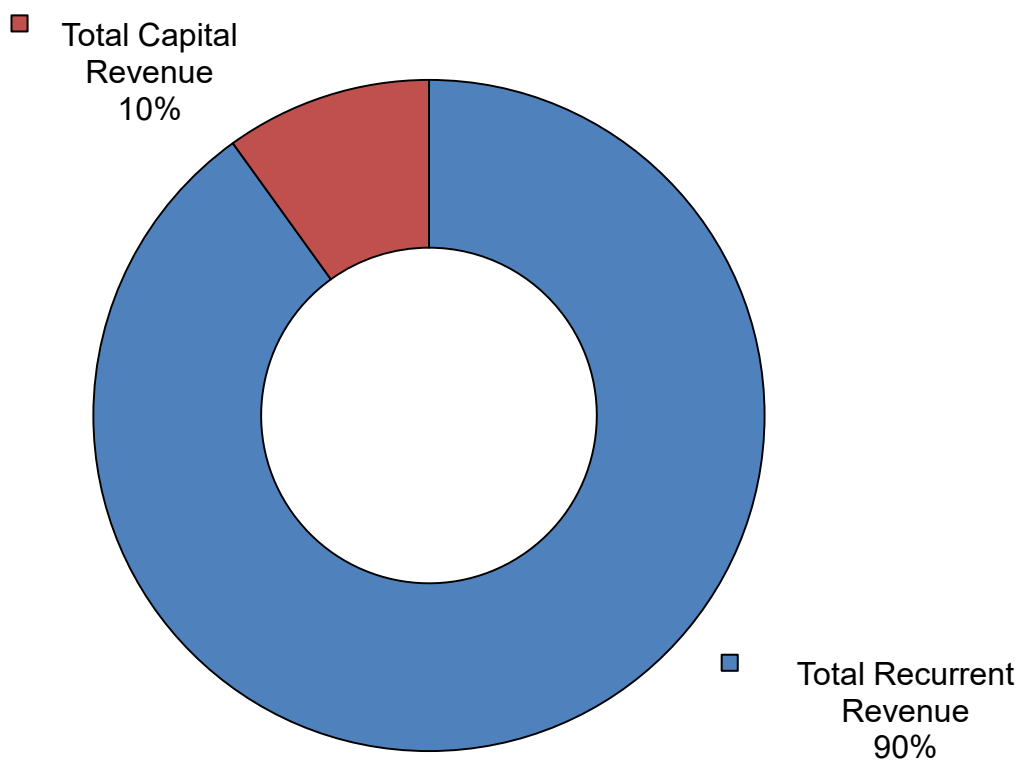
This Statement shows the annual movement between Council's 'incoming funds', referred to as Revenue plus 'outgoing operational funds', referred to as Expenditure.

The net result of these two figures represents money that is directed to Loan repayments, New community assets, or, allocation to a reserve for pending replacement of existing assets.

Revenue

There are two main categories of revenue for the financial year, Recurrent Revenue and Capital Revenue.

Revenue Categories 2018-2019





CHARTERS TOWERS REGIONAL COUNCIL COMMUNITY FINANCIAL REPORT For the year ended 30 June 2019

Revenue Cont.

Council's Recurrent Revenue is income which Council relies on being available every year for funding the operations of Council. Council raises Recurrent Revenue from sources such as rate levies, fees and charges, grants, subsidies, contributions, donations, contract and recoverable works and interest.

Council continues to be heavily reliant on grants and subsidies. In 2018-2019 grants and subsidies contributed a value of **\$13.3 million** towards Recurrent Revenue, this included **\$5.8 million** in grants received as a result of Flood Restoration Works.

Council's Capital Revenue is sourced for the purpose of constructing Council's assets. Council's Capital Revenue consists of capital grants, subsidies, contributions and donations and any gain on sale of non-current assets. These include:

- Department of Infrastructure, Regional Development and Cities; Roads to Recovery Program, **\$1.9 million**
- Department of Local Government, Racing and Multicultural Affairs; Works for Queensland Program, **\$2.2 million**
- Department of Transport and Main Roads; Transport Infrastructure Development Scheme (TIDS), **\$0.91 million**
- Department of Local Government, Racing and Multicultural Affairs; Local Government Grants and Subsidies Program, **\$0.32 million**

INCOME	\$
Recurrent Revenue	
Rates, Levies and Charges (excludes excess water)	22,179,450
Water – 2018/2019 Excess Allocation	502,569
Fees & Charges	2,738,523
Interest Income	1,046,826
Other income	131,275
Grants, Subsidies, Contributions & Donations	13,273,628
Sales - Contract and recoverable works	14,932,747
Total Recurrent Revenue	54,805,018
Capital Revenue	
Gain on sale of non-current assets	186,283
Grants, Subsidies, Contributions & Donations	5,859,038
Total Capital Revenue	6,045,321
TOTAL INCOME	60,850,339

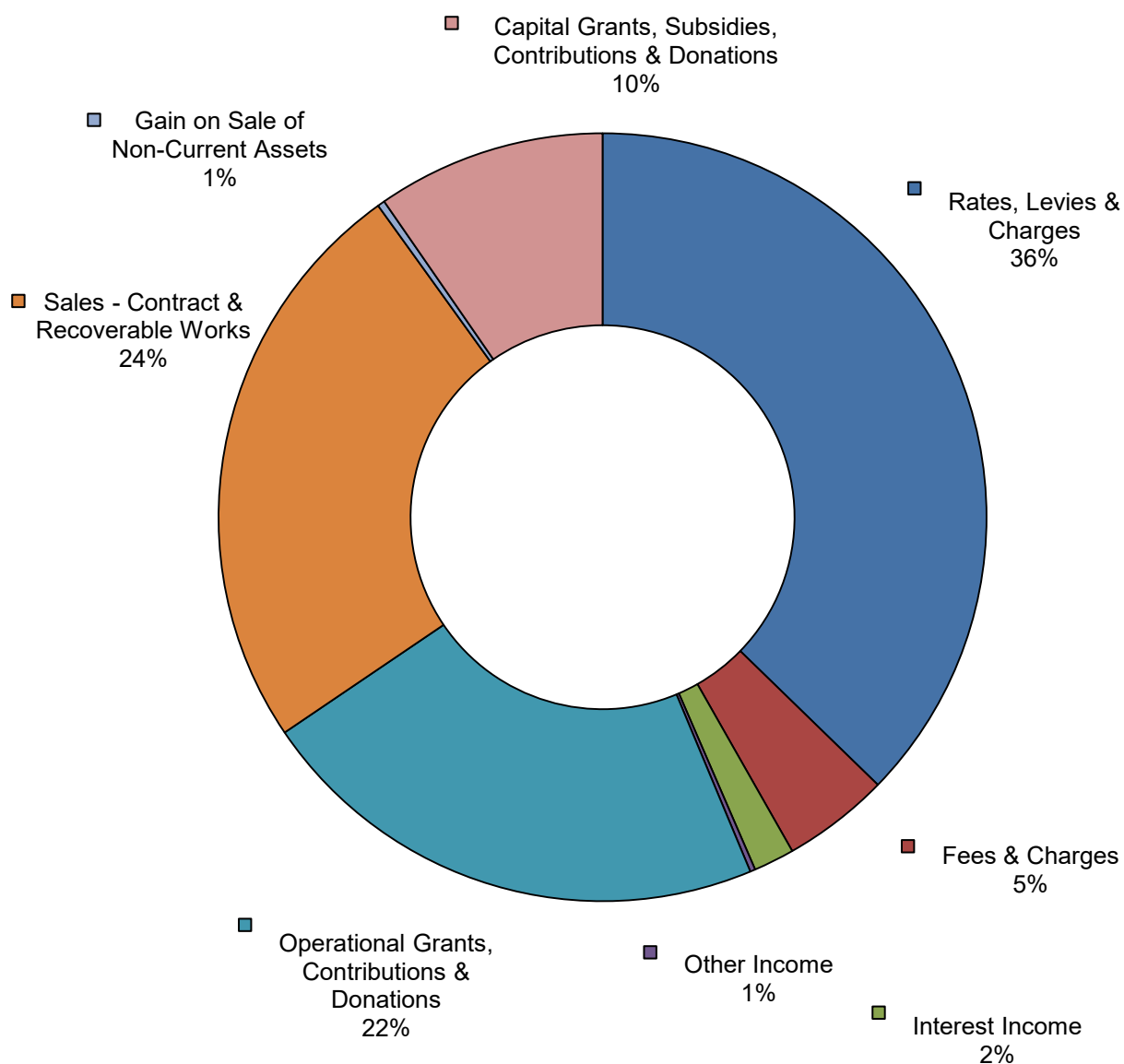
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CHARTERS TOWERS REGIONAL COUNCIL
COMMUNITY FINANCIAL REPORT
For the year ended 30 June 2019

Revenue Cont.

Total Income 2018-2019





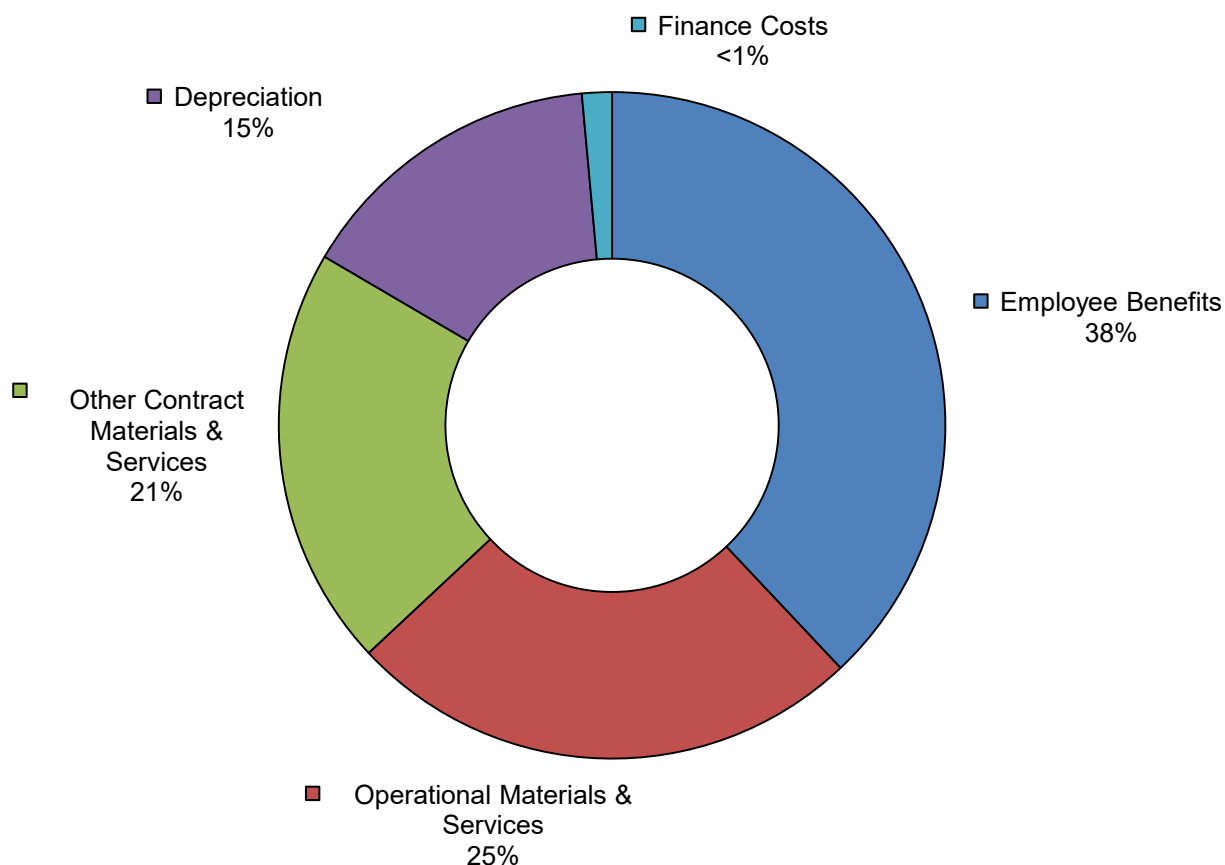
CHARTERS TOWERS REGIONAL COUNCIL COMMUNITY FINANCIAL REPORT For the year ended 30 June 2019

Expenditure

Council incurs both Recurrent and Capital Expenses. Recurrent Expenses include employee benefits, made up of wages (*excluding wages for building or replacing assets, reported under capital expenditure within the Statement of Financial Position*) and other employee entitlements, plus the cost of materials, services, asset depreciation and finance costs required to deliver services, operate facilities and maintain assets.

Recurrent Expense	\$
Employee Benefits	19,061,471
Materials and Services	23,319,880
Asset Depreciation	7,581,482
Finance Costs	225,843
Total Recurrent Expenses	50,188,676

Recurrent Expense 2018-2019



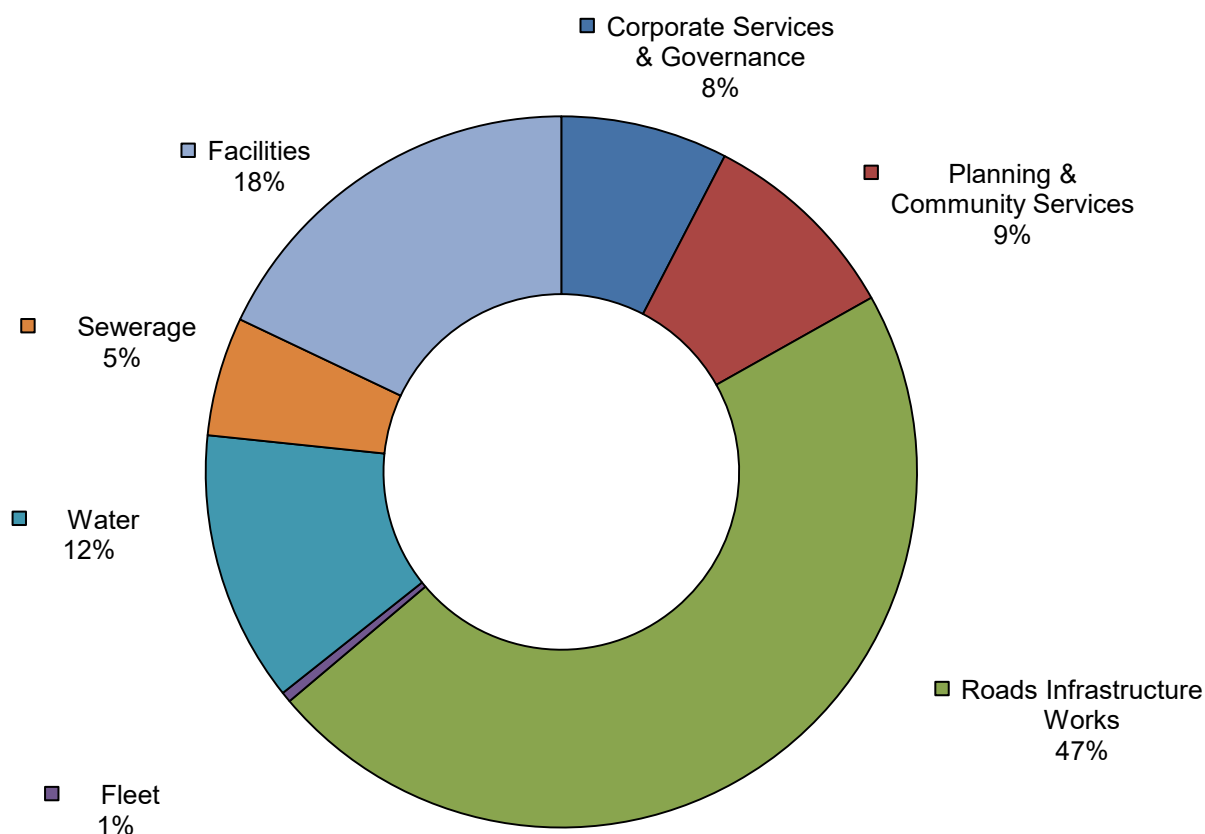


CHARTERS TOWERS REGIONAL COUNCIL COMMUNITY FINANCIAL REPORT For the year ended 30 June 2019

Expenditure Cont.

Funds raised through Recurrent Revenue are used to provide services such as corporate administration and governance functions, planning and community services, roads infrastructure works, fleet, water, sewerage and facilities management. In the reported financial year, these funds were consumed across the functions in the proportions shown. Non-Capital expenditure on Council roads infrastructure works were 47% of Council's total Recurrent Expense, which amounted to \$23.8 million of the total \$50 million.

Expenditure by Function 2018-2019



Significant Revenue and Expenditure

Recurrent Grants, Subsidies, Contributions and Donations in the reported financial year are higher than funds Council received for the prior year (\$13.3 million in 2018-2019 compared to \$7.3 million in 2017-2018). Removal of the 2018-2019 grants received as a result of Flood Restoration Works (\$5.8 million) gives a more accurate comparison amount of \$7.5 million.

On-going contract works through the Department of Transport and Main Roads is the main contributor to both the \$14.9 million in Sales – Contract and Recoverable Works revenue (\$10.3 million 2017-2018) and the \$23.3 million expenditure on Materials and Services (\$17.6 million 2017-2018).



CHARTERS TOWERS REGIONAL COUNCIL COMMUNITY FINANCIAL REPORT For the year ended 30 June 2019

STATEMENT OF FINANCIAL POSITION

This statement is often referred to as the Balance Sheet and summarises the financial position of the Council at the end of the financial year.

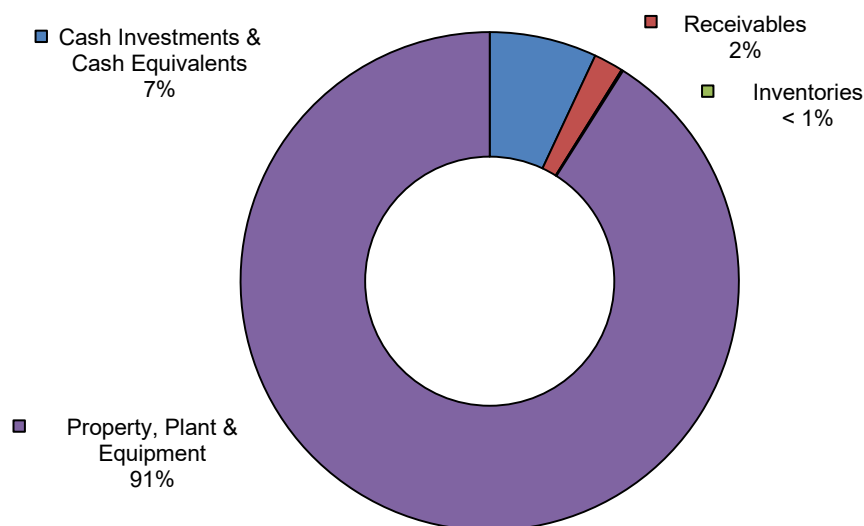
The statement measures what Council owns (referred to as assets) and what Council owes (referred to as liabilities) at the end of the financial year, with the difference between these two components being the net community wealth (referred to as equity) of the Council.

Current Assets consist primarily of cash and cash equivalents, while it also includes monies owing to Council.

Non-Current Assets are primarily in the form of fixed assets or property, plant and equipment. These assets make up 91% of the assets on Council's Statement of Financial Position. Infrastructure assets such as roads, drainage and the water and sewerage network, make up the bulk of the property, plant and equipment (PP&E). (See next page for breakup of PP&E)

CURRENT ASSETS	\$
Cash Investments and Cash Equivalents	36,928,179
Receivables	10,122,232
Inventories	600,804
TOTAL CURRENT ASSETS	47,651,215
NON-CURRENT ASSETS	
Property, Plant and Equipment (Written Down Value)	482,478,574
Receivables	19,612
TOTAL NON-CURRENT ASSETS	482,498,186
TOTAL ASSETS	530,149,401

Asset Types 2018-2019



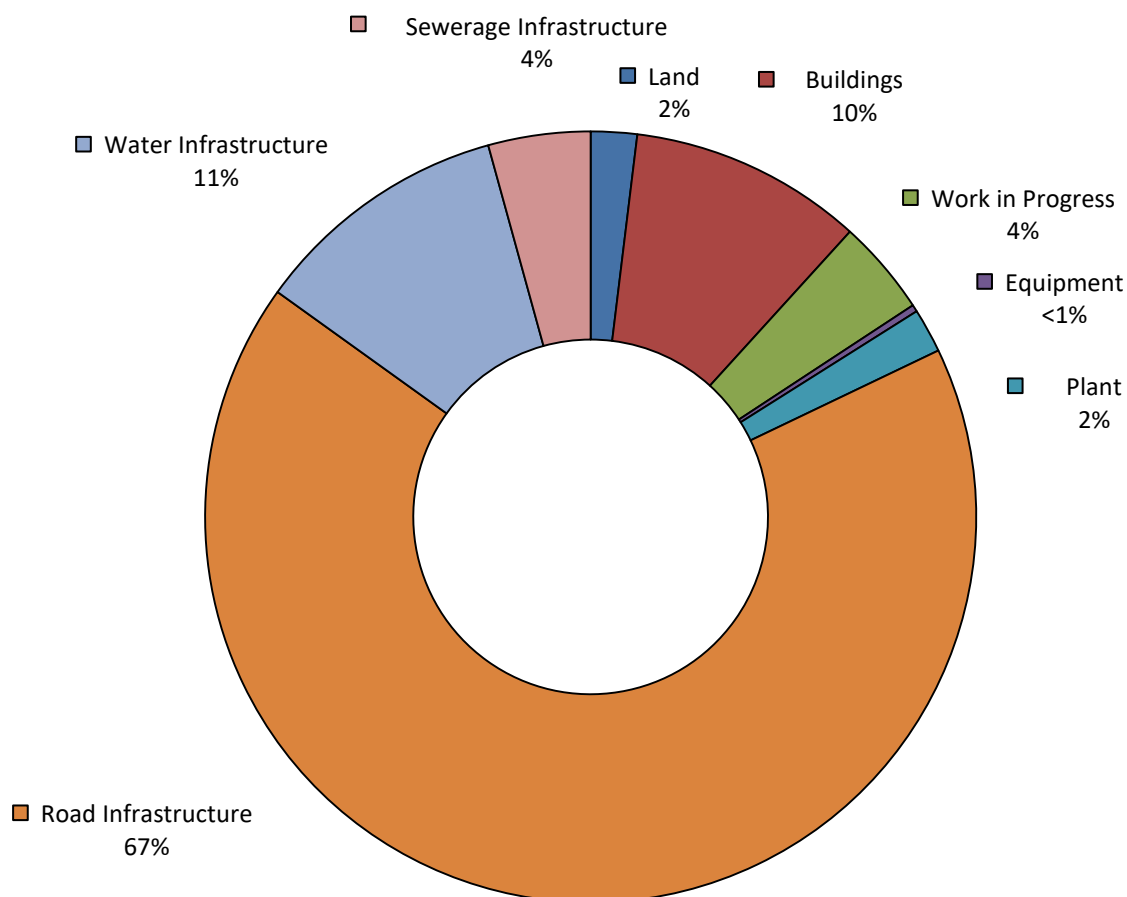


CHARTERS TOWERS REGIONAL COUNCIL COMMUNITY FINANCIAL REPORT For the year ended 30 June 2019

Property, Plant & Equipment

Property, Plant & Equipment (Written Down Value)	\$
Land	9,342,000
Buildings	47,316,212
Equipment	1,407,504
Plant	8,938,327
Road Infrastructure	323,353,534
Water Infrastructure	52,132,779
Sewerage Infrastructure	20,646,363
Work in Progress	19,341,855
TOTAL PROPERTY, PLANT & EQUIPMENT	482,478,574

Property, Plant & Equipment 2018-2019 (Written Down Value)





CHARTERS TOWERS REGIONAL COUNCIL COMMUNITY FINANCIAL REPORT For the year ended 30 June 2019

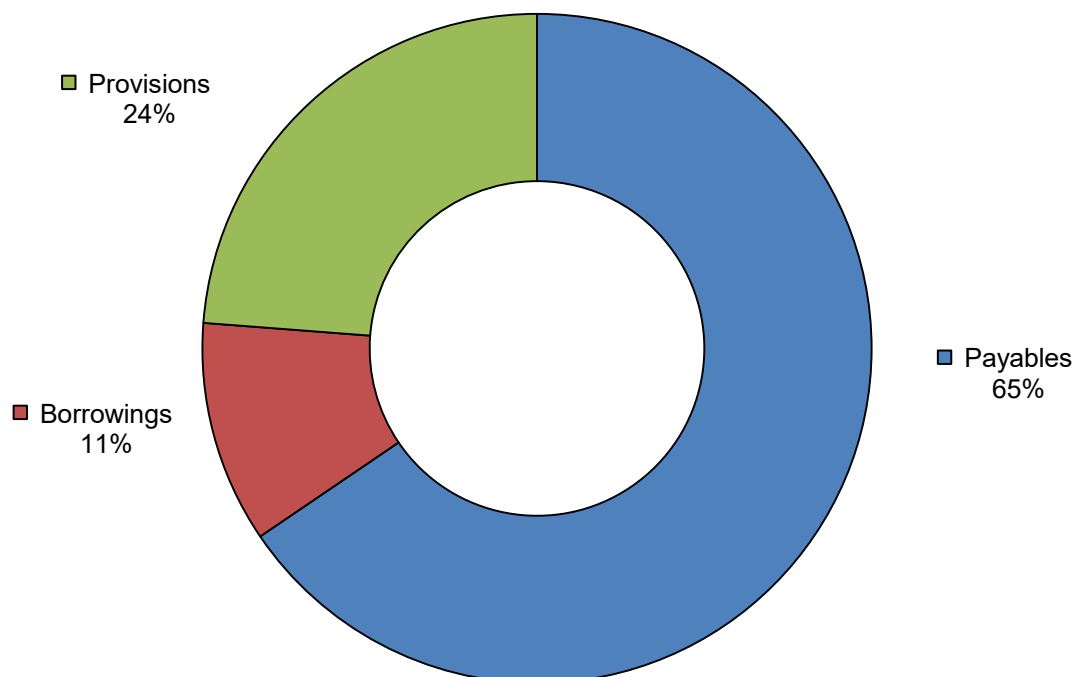
Liabilities

Liabilities are the amounts that Council owes to suppliers, employees and lenders both now and in the future.

80% of provisions represent employee entitlements, with the remaining 20% representing the rehabilitation costs for the landfill servicing the Charters Towers township.

CURRENT LIABILITIES	\$
Payables	7,542,743
Borrowings	140,901
Provisions	1,862,704
TOTAL CURRENT LIABILITIES	9,546,348
NON-CURRENT LIABILITIES	
Borrowings	1,092,846
Provisions	875,671
TOTAL NON-CURRENT LIABILITIES	1,968,517
TOTAL LIABILITIES	11,514,865

Liabilities 2018-2019





CHARTERS TOWERS REGIONAL COUNCIL COMMUNITY FINANCIAL REPORT For the year ended 30 June 2019

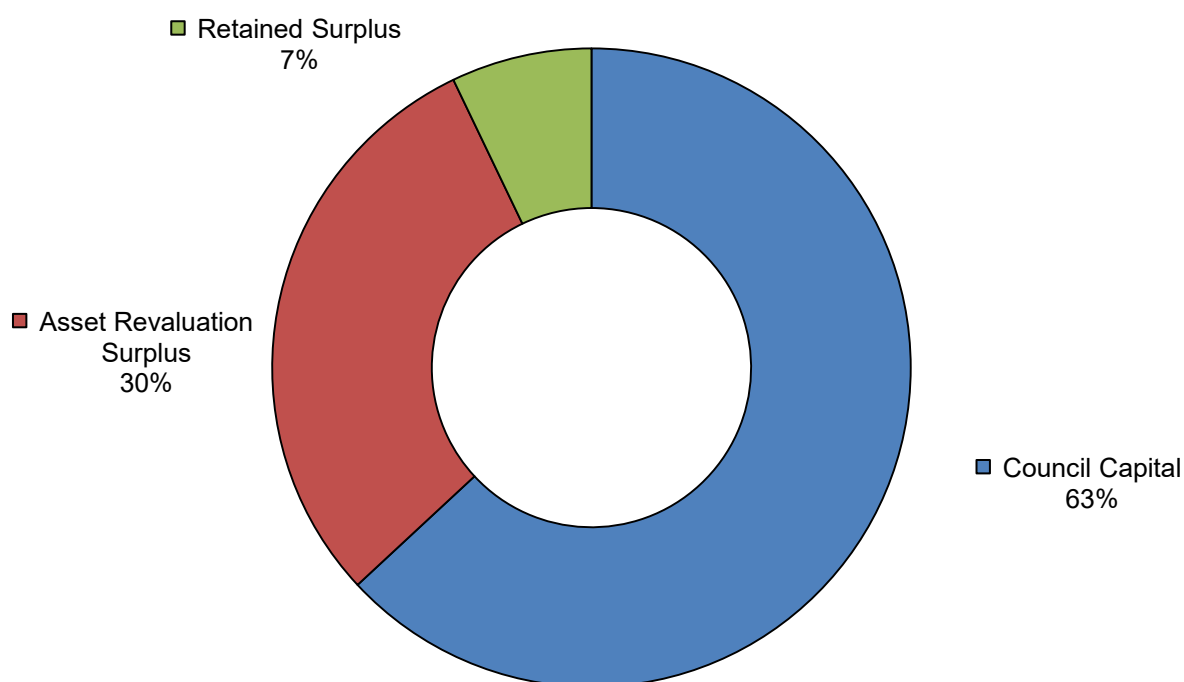
Equity

The variance between assets and liabilities is the total community equity or the net worth of Community Assets.

At 30 June 2019 Council's equity was estimated at \$518 million.

The Equity consists of Council Capital, Asset Revaluation Surplus and Retained Surplus.

Equity 2018-2019



STATEMENT CASH FLOWS

The Statement of Cash Flows identifies the cash received and the cash spent throughout the year, excluding 'Cash out on Long Term Investment'.

2019	\$
Cash and Short Term Investments - Opening Balance	38,092,014
Net Increase in Cash Held	(2,163,835)
Cash and Short Term Investments available at end of year	35,928,179



CHARTERS TOWERS REGIONAL COUNCIL

COMMUNITY FINANCIAL REPORT

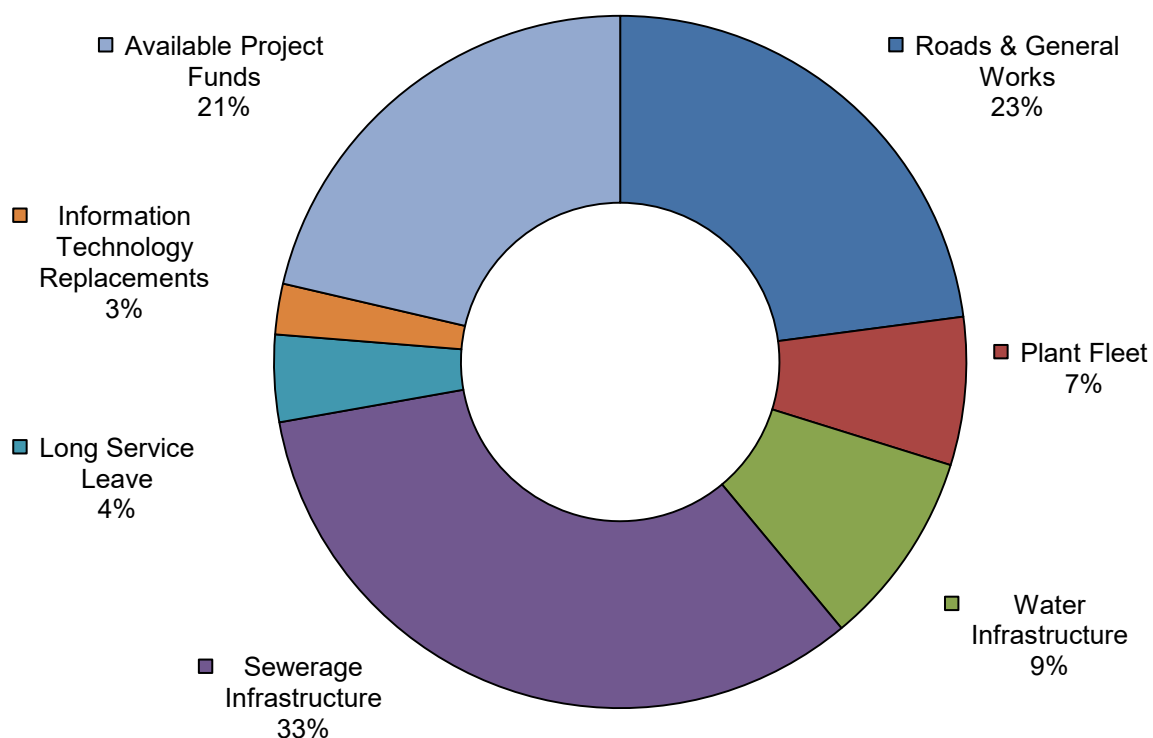
For the year ended 30 June 2019

COUNCIL's Retained Surplus

Council's Retained Surplus is made up of Reserve Funds as resolved by Council at its annual Budget Meeting. Outside of both the Project Reserves and Sustainability Reserves, all Council Reserves are monies relied upon within Council's Asset Management framework, for the replacement of existing assets, or, relied upon for planned operational activity.

PURPOSE OF RESERVE FUND		STATUS OF RESERVE FUND	
Asset Replacement Reserves	\$		
Roads and General Works	8,458,361		
Plant Fleet	2,549,623		
Water Infrastructure	3,376,596		
Sewerage Infrastructure	12,273,890		
Long Service Leave due to employees	1,500,000		
Information Technology Replacements - Hardware and network	873,234	Restricted	29,031,704
Available Project Funds	7,887,075	Unrestricted	7,887,075
TOTAL RESERVES (including Long Term Investments)	36,918,779		36,918,779
Add cash floats utilised across council	9,400		
CLOSING CASH (including Long Term Investments)	36,928,179		

Closing Cash Reserves 2018-2019





CHARTERS TOWERS REGIONAL COUNCIL COMMUNITY FINANCIAL REPORT For the year ended 30 June 2019

MEASURES OF COUNCIL'S FINANCIAL SUSTAINABILITY

The audited financial statements which precede this Community Financial Report indicate that Council has finished the 2018-2019 financial year in a sound financial position.

Charters Towers Regional Council remains committed to sustainable financial management through long term financial planning, aimed at achieving the success and stability of the region.

FINANCIAL SUSTAINABILITY RATIOS

INDICATOR	COUNCIL'S CALCULATED RATIO		STATE GOVERNMENT TARGET ¹
	2017/2018	2018/2019	
Asset sustainability ratio	173%	172%	Greater than 90%
Operating surplus ratio	(5)% ²	8% ²	Between 0% and 10%
Net financial liabilities ratio	(83)% ³	(66)% ³	Not greater than 60%

¹ Target data has been sourced from the Financial Management (Sustainability) Guideline 2013 prepared by the Department of Infrastructure, Local Government and Planning.

² Operating deficits can indicate that the local government is expecting to not be able to generate sufficient revenues to cover operating expenses and offset past or future operating deficits or act as a funding source for proposed capital expenditure and/or debt repayments.

³ The Financial Management (Sustainability) Guideline 2013 states that a ratio less than zero (negative) indicates that current assets exceed total liabilities and therefore the local government appears to have significant financial capacity and the ability to enter into loan borrowings if necessary. As at June 2019, Council has borrowings of \$1.2 million.